

CURRENT HISTORY

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Current History

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The Middle East became the center of world attention in August, 1990, when Iraq invaded Kuwait. The response to that invasion included the deployment in the Persian Gulf of troops and ships from more than 25 nations, including hundreds of thousands of Americans. As our introductory article notes: "Iraq's occupation and brutalization of Kuwait, together with the massive multinational airlift of troops to Saudi Arabia, have generated a profound crisis in the Gulf, the outcome of which is still uncertain."

Iraq's Uncertain Future

BY PHEBE MARR

Senior Fellow, Institute for National Strategic Studies, National Defense University

ON August 1, 1990, Iraq's President Saddam Hussein had apparently reached a high point in his political career.* In Baghdad and in much of the Arab world, he was viewed as the victor in the grueling eight-year war with Iran. Despite some financial difficulties, Iraq had the second largest oil reserves in the world and could look forward to a period of gradual economic recovery. In April, 1990, Saddam had increased his prestige in the Arab world by "standing up" to Israel in a series of speeches threatening the use of chemical weapons as a deterrent to Israel's nuclear capacity. And in May he had chosen another popular cause—"cheating" by Kuwait and the United Arab Emirates (UAE) on the oil production quotas set by OPEC (Organization of Petroleum Exporting Countries). By forcing Kuwait and the UAE to back down at the Geneva OPEC meeting in July, he had emerged as the acknowledged strongman of OPEC.

Then, in the early hours of the morning of August 2, Iraq invaded Kuwait. This act, as brutal as it was astonishing, brought about a nearly total reversal of Iraq's fortunes. Instead of enjoying a promising economic future and an increasing leadership role in the region, Iraq faces a very uncertain future. Its economic recovery is likely to be prolonged and difficult. In the worst case, it may

face war and considerable destruction. And unless there is a change of regime, it will continue to suffer severe international opprobrium and isolation. What explains Iraq's act of aggression and miscalculation? And what does it portend for Iraq's future?

In many respects, the Iraqi invasion of Kuwait was a result of the outcome of the Iran-Iraq war. The last phase of this war, which resulted in the collapse of the Iranian army, fundamentally changed the military balance in the Persian Gulf. In a string of victories between April and June, 1988, Iraq retook Iranian-held territory in Iraq and penetrated 40 miles into Iran. It destroyed much of what was left of the Iranian army, captured much Iranian equipment and many more prisoners, and kept a swath of Iranian territory to be exchanged later for a peace settlement.

These victories left Iraq the only serious military power in the Gulf. At the war's end, Iraq had more than 1 million men under arms, including the crack Republican Guard, which had grown from 3 to 25 brigades between 1986 and 1988. In equipment, Iraq possessed more than 5,500 tanks, more than 7,000 armored personnel carriers and more than 3,500 artillery pieces. It had an air force of more than 500 planes, although not all this equipment was top of the line. (Iraq had no navy worth mentioning.) This force structure gave Iraq a military advantage of almost 2 to 1 over Iran in mobilized manpower; 10 to 1 in tanks; and 2.5 to 1 in aircraft.¹

In the course of the war, Iraq's military industry had also advanced, particularly in the manufacture of weapons of mass destruction. In 1990, it reportedly had the largest stock of chemical weapons in

*The views expressed in this article are those of the author and should not be construed as reflecting the policy or positions of the National Defense University, the Department of Defense or the United States government.

¹Stephen Pelletiere, Douglas Johnson and Leif Rosenberger, *Iraqi Power and U.S. Security in the Middle East* (Carlisle Barracks, Pa.: U.S. Army War College, 1990), pp. 3, 45.

the third world, with the capacity to manufacture these weapons inside Iraq. Through experimentation with Soviet Scud missiles and the use of boosters, it developed several other rockets: the Hussein has a range of 400 miles; the Abbas has a range of 560 miles. In December, 1989, it tested a rocket it hoped would ultimately carry a satellite into space, although it has a way to go before it can achieve that goal.² This overwhelming military preponderance gave Iraq an unprecedented capacity to challenge and intimidate its neighbors.

Inside Iraq, Saddam Hussein used his victory to remove the only serious threat to his political stability—a Kurdish revolt that had reemerged during the war. Moving to put down the rebellion, he reportedly used chemical weapons on Kurdish rebels, sending more than 60,000 refugees across the frontier into Turkey and Iran. He then undertook a draconian resettlement of more than half a million Kurds living along the frontier with Iran in the north in an effort to seal the border. The displaced Kurds were resettled in “strategic hamlets,” mainly in Kurdish areas, where they could be controlled by the government. Meanwhile, the leadership of the Kurdish movement went into exile abroad. These measures ended any possibility of domestic Kurdish dissidence for the foreseeable future, freeing the government’s hands for a more assertive foreign policy.

DOMESTIC ECONOMIC DIFFICULTIES

Although Iraq emerged from the war with a mighty military machine, the costs of the war left it with a weakened economy and many fiscal difficulties. Iraq had financed much of the war with loans from Europe and the Gulf states and had a debt estimated at \$80 billion in 1988. About half this sum was owed to the Gulf Cooperation Council (GCC) states, and Iraq expected it to be “forgiven,” but between \$30 billion and \$35 billion in short-term loans was due to Europe, Japan and the United States, which had to be repaid in hard currency.³

Much of Iraq’s financial difficulty can be laid to mismanagement of its debt, in large measure caused by Saddam’s political ideology and his limited grasp of economics. Had Iraq consolidated its debt and rescheduled its payments over a longer period of time, as it had been advised to do by Western economists, its debt-service payments, averaging between \$6 billion and \$7 billion in 1990,

would have become more manageable and the country would have been viewed as more credit-worthy. Saddam refused, in part because this would have required financial disclosure—anathema to a regime based on secrecy—and in part because he wanted to preserve Iraq’s economic independence from Western financial institutions. Instead, he thought Iraq could break out of the debt cycle through increased oil revenues—based on predictions of rising oil prices. In the meantime, he dealt with his creditors on an individual basis, rolling over the debt rather than repaying it and demanding new credit for each payment made.

As a result, by August, 1990, Iraq owed \$10 billion more to non-Arab creditors than it had owed at the end of the war. When oil prices dropped from \$20 to \$14 a barrel between January and June, 1990, Iraq faced cash-flow problems. In the absence of new sources of credit from Europe, Iraq had to turn to the neighboring Gulf states, who, it turned out, were unwilling to foot the bill on the scale demanded by Iraq.

Saddam’s difficulties did not stem simply from a shortage of cash, however, but from his refusal to reorder his spending priorities. Iraq’s first priority in the postwar period was its high-technology defense industry. In 1988, the year of the cease-fire, Iraq’s military expenditures totaled an estimated \$5 billion, approximately 40 percent of its export earnings.⁴ By August, 1990, that figure had probably declined, but only slightly. The arms race generated by the war and by Iraq’s effort to stockpile and develop weapons of mass destruction and longer-range missiles was expensive, particularly because Iraq tried to achieve higher levels of independence in production.

Iraq’s second priority was reconstruction, but many expenditures in this area went to projects that did not bring in revenue, like the rebuilding of Basra and Fao, or showcase projects with little immediate impact on the local economy. At the war’s end, expansion was planned in oil refineries, petrochemical plants, truck, bus and auto factories, roads, bridges and other transport facilities, all apparently without any selectivity. The burden on foreign exchange requirements for these projects was heavy and by 1990 credit was no longer forthcoming. Moreover, Iraq needed economic growth that produced jobs to enable it to demobilize its large standing army, not economic development designed to increase its regional power. In the year after the cease-fire, Iraq demobilized between 200,000 and 300,000 soldiers—not a small number—but the economy appeared unable to absorb them and demobilization ceased.⁵

Consumer imports provided a third call on foreign exchange. By the war’s end, Iraq faced an in-

²*U.S. News and World Report*, June 4, 1990, p. 39.

³Phebe Marr, “Iraq in the 90s: Oil Revenues, Debt Management, Spending Priorities,” *Middle East Executive Reports*, June, 1990, p. 13.

⁴*Ibid.*

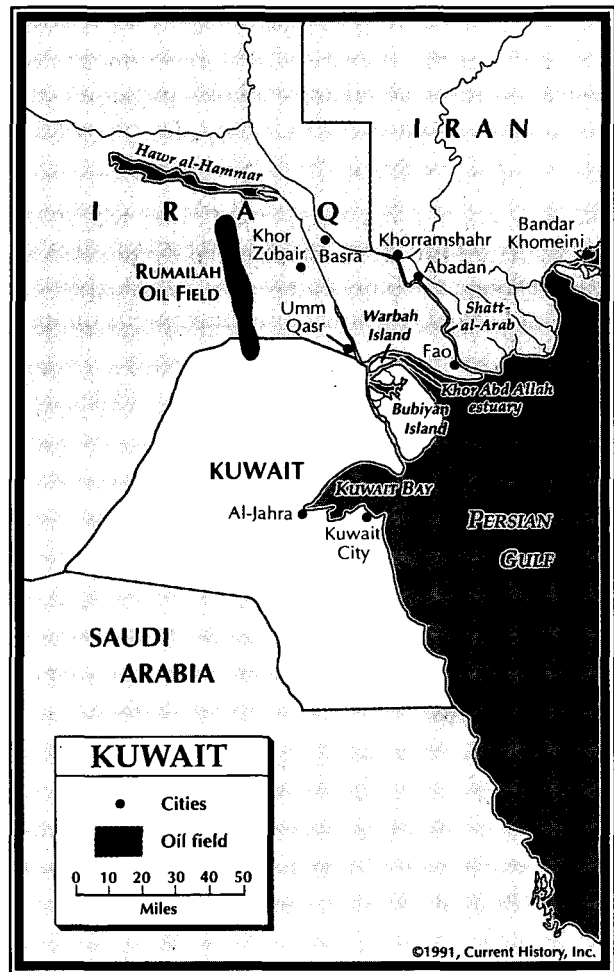
⁵This was evidenced by clashes with Egyptian workers as soldiers returned home. For a period in November and December, 1989, hundreds of thousands of Egyptians left Iraq.

flation rate of at least 40 percent, fueled by wartime shortages and the government's policy of printing money, and a dinar that had lost much of its value on world markets. These factors were squeezing a middle class that had high expectations of a peace dividend and was already restless because of economic stagnation. To stem the inflation—and the discontent—the government was forced to import up to 80 percent of its food supply and consumer goods at high cost. Last, Iraq had to face annual debt-service payments of between \$6 billion and \$7 billion to non-Arab creditors.

Clearly, Iraq had short-term financial problems that could be solved by a few years of belt-tightening. But the overhanging debt, the drying up of international credit (because of political and economic factors), increased inflation and a stagnant economy were threatening Iraq's economic development for the remainder of the decade. Without massive sums—Saddam compared them to an Arab Marshall Plan—his ambitious development schemes, in particular the development of the military industrial complex that was the centerpiece of his regional leadership goal, would have to be curtailed.⁶ Iraq's expanded oil production, the key to increased economic independence from the West, would also have to be curtailed. Instead of reordering his priorities and scaling down his ambitious military program, Saddam blamed Kuwait, a defenseless neighbor, and the UAE for lower oil prices. When Kuwait temporized on paying the sizable sums Iraq was asking in connection with other claims and, most unforgivable of all, when Kuwait refused to cancel Iraq's wartime debts, Iraq marched its troops to the border and finally turned on Kuwait's rulers.

Another cause of the invasion was long-standing tension with Kuwait over boundary problems and Iraq's access to the Gulf. The access issue is an old one, dating back to the founding of the state in 1920. Iraq's boundaries, drawn by the Great Powers during and just after World War I, left the country with only 26 miles of Gulf shoreline and without a port on the Gulf. A state with substantial resources—oil, water and 17 million people—Iraq has always felt like a man with huge lungs but a tiny windpipe. Its main outlet to the Gulf lies on the Shatt-al-Arab, which forms the boundary with Iran, and on which Basra, its major port, is located. The division of this waterway has long been a thorn of contention with Iran and was a major factor in

⁶The Marshall Plan, which offered United States economic assistance to the nations of West Europe after World War II, was referred to in a letter from the Iraqi foreign minister to the secretary general of the Arab League, July 16, 1990, in Foreign Broadcast Information Service (FBIS), *Near East/South Asia Report*, July 18, 1990, p. 21.



the Iran-Iraq war. A 1975 agreement with Iran, which Iraq desired to reverse, divided the waterway along the thalweg, or mid-channel marker, thereby depriving Iraq of total control of it. In any event, the Shatt-al-Arab was closed to traffic during the war, leaving Basra landlocked until a settlement with Iran could be achieved.

This situation focused Iraq's attention on a second, less desirable outlet to the Gulf—the Khor Abd Allah estuary, which forms part of its border with Kuwait. This waterway leads to Umm Qasr, a second port and naval base, and further up the waterway to Khor Zubair, a smaller port used to service fertilizer and petrochemical plants in the area. In the aftermath of the war, Iraq began dredging the Khor Abd Allah channel and expanding both ports for commercial use. However, it soon came up against long-standing boundary problems with Kuwait, which (like Iran) claimed the mid-channel marker as the boundary, while Iraq wanted total control of the estuary. In addition, Iraq demanded possession of two Kuwaiti islands, Warbah and Bubiyan, which lie at the entrance to the estuary.

Kuwait refused, partly because Bubiyan dominates Kuwait City and foreign ownership of the

island would constitute a threat, and partly because it feared that this demand was a forerunner to the revival of Iraq's old claim to all of Kuwait, a claim previously relinquished in 1963. Iraq claimed it wanted the islands to provide secure access to Umm Qasr and, possibly, to build a port. In any event, possession of Bubiyan would finally give Iraq direct access to the Gulf. It would also make it possible for Iraq to create the blue-water navy that it expects to berth at Umm Qasr, further enhancing its military potential.

Possession of the islands was the subject of an acrimonious meeting between the Kuwaiti Crown Prince and Saddam Hussein in February, 1989. The discussions ended in failure, but Iraq did not let the matter drop. In the summer of 1989, Foreign Ministry officials in Baghdad told this author that they expected to "persuade" the Kuwaitis to give in on the islands, while their counterparts in Kuwait indicated that the ruler was adamant about keeping them. Thus the stage was set for a clash between the two countries over territory as well as money.

SADDAM'S REGIONAL AMBITIONS

While these factors indicate the underlying causes of tension between Iraq and Kuwait, they cannot explain why Iraq chose to solve its problems by a sudden invasion of a defenseless country, nor do they explain the subsequent brutality displayed toward its people. The reason for these must be sought in the nature of the Iraqi regime, Saddam's outlook and ambitions, and the long-standing isolation of Iraq and its leadership.

There can be little doubt that Saddam's ambitions included a leadership role—indeed, the leadership role—in the Arab world. These aims had been set forth in an Arab Charter enunciated by Saddam in February, 1980.⁷ Saddam had long since recognized that the dissolution of Arab states and their unification into an integral Arab nation, the original goal of the Baath party, was unrealistic; instead, he envisioned a new Arab consensus around goals and policies, with Iraq as the model. This goal, thwarted by the Iran-Iraq war, was revived in the wake of the cease-fire and a shift in the balance of power in Saddam's favor. Nevertheless, his desire for power was tempered by realism as well as calculations—albeit flawed—of the potential for success. In the two years following the cease-fire, Saddam moved toward this goal by fits and starts, keeping his eye on opportunities as they arose.

Four factors provided the opportunity and shaped his perception of political reality. First was

the decline of Soviet power and the changing international balance. Saddam believed that the upheavals in the Soviet Union, the collapse of Soviet power in East Europe and reduced Soviet influence in foreign affairs left only one superpower in world affairs. Saddam saw this situation as a challenge to the Arab world and as an opportunity for leadership. By championing popular causes and developing a mass power base, he saw himself emerging as the leader of a new constellation of forces that might stand up to the United States. He regarded the Arab Cooperation Council (ACC), a group consisting of Iraq, Egypt, Jordan and Yemen, as a vehicle to this end, but he did not limit himself to the ACC.

The Israeli factor also provided Saddam with a powerful new opportunity. Iraq's victory over Iranian forces, its development of chemical weapons and missile systems, and its determination to develop advanced military technology, including nuclear technology, not only made it the dominant military power in the Gulf, but upset the military balance with Israel. Israel, in its turn, increasingly voiced its concerns in the press and through official statements. With vivid memories of Israel's destruction of Iraq's Osirak nuclear reactor in 1981, Saddam became obsessed by fear of an Israeli attack.

His nervousness was first made clear in the Bazoft affair, a harbinger of the ruthlessness and miscalculation that was to follow in Kuwait. Farzad Bazoft, an Iranian-born resident of Great Britain and a reporter for the *London Observer*, was caught trying to secure information about an explosion in an Iraqi munitions plant. He was accused of spying for Israel, and in March, 1990, he was executed. The sentence produced a huge outcry in Britain and the West and contributed to Iraq's already damaged reputation, but Saddam had made the point that Iraq would tolerate no foreign interference in its internal affairs. The execution also indicated a leadership nervous about potential Israeli sabotage.

Then on April 2, in a speech to his military, Saddam created a sensation by threatening to burn half of Israel using chemical weapons if Israel attacked Iraq. Despite the vivid rhetoric, most of the speech was defensive in nature and set forth a new deterrent doctrine. If Israel had nuclear weapons, Iraq would deter any Israeli attack on its facilities with the poor man's substitute—chemicals.

Although Saddam's speech was a direct response to a perceived threat to Iraq's security, it generated

(Continued on page 39)

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⁷Phebe Marr, *The Modern History of Iraq* (Boulder, Col.: Westview Press, 1985), p. 245.

"The success or failure of United States policy in confronting the Iraqi invasion of Kuwait . . . will require the United States to be responsive to the new Middle East in ways unprecedented in United States policy for the region."

The United States in the Middle East

BY BERNARD REICH

Professor of Political Science, George Washington University

THE administration of United States President George Bush took office in January, 1989, with no long-range strategic or even tactical plan for dealing with the Middle East and with no particular goals or specific policies for the area. Nevertheless, the initial year was seen as one of potential promise primarily because of the dramatic changes in the Soviet Union and East Europe, which redefined the superpower relationship that had provided the international framework since World War II. The "end of the cold war" and the emergence of new democracies in East Europe preoccupied the President and his administration as well as Congress, and overshadowed the Middle East and other international problems. At the same time, events in East Europe could be touted as policy successes, unlike the seemingly intractable, intricate and highly complex problems of the Middle East.

The intifada (uprising) in the Israeli-occupied West Bank and Gaza Strip had already established itself as a fact of life in the Middle East and had been routinized by the time the Bush administration entered office. No immediate action was deemed necessary and none was planned. Almost all recent United States secretaries of state have launched efforts to achieve a peaceful solution to the Arab-Israeli conflict soon after coming to office, and some have had formal plans or proposals. President Bush and Secretary of State James Baker 3d, however, began their terms with no such blueprint, and Baker focused not on a master plan or grand design but on a more modest and subtle effort to achieve direct negotiations between the parties to the conflict. Baker moved slowly and incrementally to keep the parties working toward the ultimate goal. He believed that all parties yearned for peace, although there were substantial differences among them. Baker saw United States policy as a step-by-step process, the purpose of which "is to reduce tensions, to promote dialogue

between Israelis and Palestinians, and to build an environment that can sustain negotiations on interim arrangements and permanent status."¹

The initial, low-key efforts of the Bush administration focused on securing an Israeli-Palestinian dialogue as a prelude to broader peace negotiations. An Israeli proposal in the spring of 1989 followed pressure by the United States, and it became the basis for subsequent efforts to achieve a dialogue. Speaking at the White House on April 6, 1989, after his talks with President Bush, Israeli Prime Minister Yitzhak Shamir publicly presented his peace initiative, which was formalized by the Israeli government on May 14:

In order to advance the political negotiation process leading to peace, Israel proposes free and democratic elections among the Palestinian Arab inhabitants of Judea, Samaria and the Gaza District in an atmosphere devoid of violence, threats and terror. In these elections a representation will be chosen to conduct negotiations for a transitional period of self-rule. This period will constitute a test for coexistence and cooperation. At a later stage, negotiations will be conducted for a permanent solution, during which all the proposed options for an agreed settlement will be examined, and peace between Israel and Jordan will be achieved.²

The proposal made it clear that Israel opposed the establishment of a Palestinian state in the Gaza Strip or in the area between Israel and Jordan, and that it would not conduct negotiations with the Palestine Liberation Organization (PLO).

The Israeli principles confronted a pragmatic problem: how to get negotiations under way. Palestinian representation and the shape of a final settlement remained issues that greatly divided the parties. Baker noted that the United States sought a renewed peace process and that it would work to create an environment to launch and sustain serious negotiations.

Little movement occurred in the following months because of differences in perspective between Israel and the United States, but also because of developments in the Soviet bloc and China and

¹See Baker's address of April 14, 1989, United States Department of State, Bureau of Public Affairs, "Power for Good: American Foreign Policy in the New Era," *Current Policy*, no. 1162, p. 3.

²Israel, Cabinet Communiqué, Jerusalem, May 14, 1989.

the overshadowing effects of the hostage crisis in Lebanon. Nevertheless, in September, 1989, Egyptian President Hosni Mubarak put forward a ten-point plan and Baker later suggested a five-point proposal for setting up talks between Israeli and Palestinian delegations as a means of moving the peace process forward. In early November, 1989, Israel's inner Cabinet formally accepted the Baker five-point formula for the peace process, but obstacles remained. By spring, 1990, the process had achieved little beyond wrangling over the fine points of the dialogue procedure. Tensions developed in the United States-Israeli relationship, and these were exacerbated by President Bush's comments on the settlement of Soviet Jews in East Jerusalem. The United States seemed to believe that the Israeli government, especially Prime Minister Yitzhak Shamir, was the primary stumbling block and put pressure on Israel to modify its position. As a result, there was a major split in Israel's national unity government that had been established in December, 1988, and a vote of no confidence took place. Although framed in other terms, it was widely seen as a referendum on Israel's response to Baker and on Israel's willingness to move ahead with the peace process through discussions in Cairo with the Palestinians.

Shamir's position was challenged from all sides. For many in the Likud party, Shamir was too compliant in his dealings with Secretary Baker and too willing to give in to the United States on key points of the peace process. His concessions could affect the unity of Jerusalem, the potential inclusion of the PLO in the peace process and the establishment of a Palestinian state in the territories — points that were at the heart of Likud policy. The Labor party and Shamir's challengers on his left believed that he should be more responsive to United States demands and more flexible on these negotiating points.

The United States appeared to side with Shimon Peres, the head of the Labor party, and his supporters in their efforts to oust Shamir through a vote of no confidence. Ultimately the vote succeeded, and as the United States apparently had hoped, Peres was given the mandate to try to form a new government. He failed. Shamir's formation of a new national unity government composed of Likud and political parties to its right and religious parties suggested that there would be clashes with the United States on the peace process.

In presenting his new, relatively narrow and

fragile government to the Knesset on June 11, 1990, Shamir noted that it included "all the national forces that have fought and worked for the sake of Eretz Yisrael, for settlement of all parts of Eretz Yisrael [Greater Israel]."

The foreign policy guidelines of the new government reiterated some central beliefs by Likud (and the parties to its right) in ways not previously stated in formal government guidelines. For example, it noted that "the eternal right of the Jewish people to Eretz Yisrael is not subject to question and is intertwined with its right to security and peace." In addition, it stated that "settlement in all parts of Eretz Yisrael is the right of our people and an integral part of national security; the government will act to strengthen settlement, to broaden and develop it."

The installation of the new Israeli government and the enunciation of its policy led to concern in Washington that the peace process was at an impasse. Secretary of State Baker, in a fit of pique and anger, told a congressional hearing that he was not convinced that the new Israeli government was serious about pursuing peace. This reflected the administration's frustration and exasperation at its inability to generate movement toward peace negotiations between the Israelis and the Palestinians. The formation of the new government in Israel seemed to mark a crucial point and to suggest that the process would become more difficult.

Also affecting the situation was the position of the PLO. Its leader, Yasir Arafat, was unwilling to condemn the terrorist attack on Israel by a PLO faction at the end of May. This made it more difficult for even dovish Israelis to argue for involvement of the Palestinians (symbolically or otherwise representing the PLO) in the peace process. It also raised questions concerning the United States relationship with the PLO. In late June, President Bush announced a suspension of the dialogue with the PLO because of its failure to condemn the act of terrorism, despite repeated opportunities to do so.³ But this was to be construed as a narrow action against terrorism, not as a broader move concerning the peace process. President Bush also said that "we would hope and expect the peace process would proceed as intended and without delay."⁴

At the end of June, in response to a letter from President Bush, Shamir stated his government's positions on negotiations. He reportedly "rejected" specific United States proposals for talks between Israel and the Palestinians and argued that the central problem was the refusal of the Arab states to negotiate with Israel. This highlighted the impasse between the United States and Israel. The focal point of the differences was the composition of the Palestinian delegation and the question of Israeli negotiations with the PLO or its representatives.

*Editor's note: Greater Israel, which includes the territory now under Israeli control in Judea and Samaria, refers to the whole of the biblical land of Israel.

³See President Bush's press conference of June 20, 1990, *The New York Times*, June 21, 1990.

⁴*Ibid.*

Israelis were also concerned that dealing with Palestinians from East Jerusalem might raise questions concerning Israel's claim to sovereignty over a unified Jerusalem. The Bush administration seemed frustrated by this stance.

In early July, Baker sought to reengage Israel in the peace process, but little was accomplished before the Iraqi invasion of Kuwait in early August, 1990, which put the Arab-Israeli peace process into suspended animation. In response to the invasion, Arafat and the PLO came to the defense of Iraqi President Saddam Hussein. Soon thereafter, the Palestinians in the West Bank, Gaza and Jerusalem joined in the chorus of support. This, coupled with Iraqi President Saddam Hussein's past and present threats against Israel, suggested that Baker and President Bush could do little to move Israel in the direction of talks with the PLO, at least during the Persian Gulf crisis.

THE THREAT IN THE GULF

The United States is a relative newcomer to the Persian Gulf region of the Middle East, and several factors have dominated its approach to that zone: concern about Soviet domination; access to oil; the stability and security of friendly states and moderate regimes; the relationship of these factors to the Arab-Israeli conflict; and, recently, concern over weapons proliferation (especially chemical, biological and nuclear weapons). The Soviet invasion of Afghanistan in December, 1979, had altered American thinking about the Persian Gulf and had led to the Carter Doctrine. The doctrine, elaborated by President Jimmy Carter in 1980, asserted that the Gulf was a vital interest of the United States and its allies, and that all action necessary, including force, would be used to protect that interest from a Soviet threat. The doctrine was accompanied by the establishment of a permanent military force designed to deploy rapidly in the region in response to threats to United States interests, especially threats to Persian Gulf oil.

Access to oil has been a United States policy issue since World War II, but it was not until the oil shocks of the 1970's that Americans became aware of their dependence on foreign (and especially Middle Eastern) oil. The subsequent efforts to find alternative energy sources or oil suppliers or to cut use through conservation slowly gave way to a growing dependence on imported oil. By early

1990, the United States was importing about 50 percent of the oil Americans consumed. Although the Middle East accounted for only a part of that, the importance of the Middle East oil to the rest of the world continued to grow. Some estimates suggested that in the 1990's, the United States dependence on imported oil would grow to between 50 percent and 60 percent of its total oil consumption, and that the Gulf would become the primary source of that oil.

The end of the Iran-Iraq war in 1987 and the end of the cold war led United States strategic planners to reassess United States military planning in the Persian Gulf region. At the same time, the United States approach to the Gulf was conditioned by perspectives from the Iran-Iraq war (that is, antipathy toward Iran and a "tilt" toward Iraq).

United States relations with Iraq were unclear in early 1990. Iraq's miserable human rights record, United States concerns about Iraq's development of weapons of mass destruction, and its use of chemical warfare during the Iran-Iraq war and against dissident Iraqi Kurds are only a few of the problems that roiled United States-Iraqi relations. Iraq's attempt to acquire krytons (nuclear trigger devices) and Saddam Hussein's threats to retaliate with chemical weapons against an Israeli strike on Iraq also strained relations before the invasion of Kuwait.

The Bush administration tried to alter Iraq's behavior and to influence Iraq to move in a more positive direction rather than to penalize it. "Our policy toward Iraq has been to attempt to develop gradually a mutual beneficial relationship with Iraq in order to strengthen positive trends in Iraq's foreign and domestic policies."⁵ On April 12, 1990, a delegation of United States senators led by Senator Robert Dole (R., Kan.) visited Iraq to talk to Saddam Hussein and to lessen the tension between the two countries. Reflecting the administration's approach, Senator Dole said, "there might be a chance to bring this guy around."

In early summer, 1990, Iraq threatened its neighbors, especially Kuwait, over oil pricing and revenues, and the United States responded by calling for a diplomatic solution to the crisis, warning Iraq against "coercion and intimidation" and ordering a naval task force to the region. At the same time, the State Department noted that:

We do not have any defense treaties with Kuwait and there are no special defense or security commitments to Kuwait. We also remain strongly committed to supporting the individual and collective self-defense of our friends in the Gulf, with whom we have deep and long-standing ties.⁶

Despite American warnings, Iraq invaded Kuwait

⁵See the statement by Assistant Secretary of State for Near Eastern and South Asian Affairs John H. Kelly before the Subcommittee on Europe and the Near East of the House Foreign Affairs Committee, April 26, 1990, in United States Department of State, Bureau of Public Affairs, "U.S. Relations With Iraq," *Current Policy*, no. 1273, p. 2.

⁶*Washington Post*, July 25, 1990.

The Multinational Force in the Persian Gulf: November, 1990

Country	Troops deployed to the Gulf	Aircraft	Ships
United States	More than 250,000	More than 500	More than 55
United Kingdom	15,000	56	16
France	13,000	More than 75	16
Saudi Arabia	60,000	180	8
Syria	8,000 (may reach 20,000)		
Turkey	100,000		2
Argentina	100	2	2
Egypt	More than 30,000		
Kuwait	7,000*		
Pakistan	2,000		
Morocco	2,000 (may reach 7,000)		
Bangladesh	2,000		
Czechoslovakia	200		
Italy		8	4
Canada		18	3
Australia			3
Belgium			3
Netherlands		18	3
Spain			3
Soviet Union			4
Denmark			1
Greece			1
Norway			1
Portugal			1
Poland			1

*Part of a 17,000-member force from the Gulf Cooperation Council
 Sources: Based on estimates from *The New York Times*, October 21, 1990, and Center for Defense Information, November 9, 1990.

on August 2, soon after the arrival of the United States Navy. Some observers criticized the United States for failing to assess properly Baghdad's intentions.

President Bush reacted quickly to Iraq's aggression against Kuwait by deploying United States troops to the region. The President portrayed the Iraqi invasion of Kuwait as more than simply a military attack by a large neighbor against a smaller one. "It was a ruthless assault on the very essence of international order and civilized ideals."

The administration devised a multifaceted policy that included economic, political, diplomatic and military elements. The United Nations (UN), generally viewed as moribund in dealing with major issues, proved to be a useful and even important element of United States policy. Allied support was solicited and received. The basic goals of the policy were articulated by President Bush in the first days after the invasion.

First, we seek the immediate, unconditional, and complete withdrawal of all Iraqi forces from Kuwait.

Second, Kuwait's legitimate government must be restored to replace the puppet regime.

Third, my administration . . . is committed to the security and stability of the Persian Gulf.

⁷See address by President Bush, August 8, 1990, in United States Department of State, Bureau of Public Affairs, "The Arabian Peninsula: U.S. Principles," *Current Policy*, no. 1292, p. 1.

Fourth, I am determined to protect the lives of American citizens abroad.⁷

To achieve these goals the United States sought and secured international support, including a series of UN Security Council resolutions condemning the invasion and calling for its reversal; the Security Council also established an embargo of Iraq to help achieve these ends. The United States mounted a strong diplomatic effort to isolate Iraq.

A large United States force, which numbered more than 200,000 troops at the end of October, was sent to the area, along with modern, sophisticated military equipment. An allied force sent by more than 25 countries was deployed alongside the American troops in the region (see table above); they faced Saddam Hussein's large, well-equipped

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"Rapid economic and social change does not yet appear to have greatly affected basic conservative Saudi social values, nor has change threatened the cohesion of Saudi society; this has enabled Saudi Arabia to maintain its political stability in a region marked by chaos."

Stability in Saudi Arabia

BY DAVID E. LONG

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ON August 2, 1990, President Saddam Hussein of Iraq ordered his army to occupy the neighboring state of Kuwait.¹ The invasion earned Hussein universal condemnation and renewed world interest in the Persian Gulf to a degree not seen since the energy shortage of the 1970's. Questions of international morality and unprovoked aggression aside, the reason behind this strong international reaction was interest in Gulf oil. The single most important oil producer and exporter is Saudi Arabia, which has been threatened by Iraq.

At the time of writing, the Kuwait crisis was still in progress. It was already possible to see, however, that the Iraqi threat could usher in a new set of political realities for Saudi Arabia and the Gulf region and for the Middle East generally. For example, the fact that the Palestine Liberation Organization (PLO) and Jordan did not support Saudi Arabia during the Kuwait crisis could have lasting effects. Much of the Arab financial support that keeps the PLO and Jordan economically viable has traditionally come from Saudi Arabia, Kuwait and the other Gulf states, and this support could very well be less forthcoming once the crisis is over. On the other hand, it is likely that radical Palestinians will seek to promote political instability in Saudi Arabia.

Despite the possibility that Saudi Arabia could go through a period of political instability after the Kuwait crisis, there appears to be an even greater likelihood that the kingdom will remain politically stable well into the 1990's and beyond. The reasons

¹Portions of this article have been adapted from David E. Long, "Saudi Arabia: Plus Ça Change," in Charles F. Doran and Stephen W. Buck, *The Gulf, Energy, and Global Security: Political and Economic Issues* (Boulder, Col: Lynne Rienner Publishers, forthcoming).

²The Hanbali school is one of four orthodox, or Sunni, schools of Islamic jurisprudence, the others being Hanafi, Maliki and Shafi. Although the most conservative of the four on social and personal matters, the Hanbali school is liberal on economic and commercial matters, so it is no anomaly that Saudi Arabian business practices are wide open.

³Strict adherents avoid the term Wahhabism, which emphasizes a moral. They prefer the term Muwahhidin, or "Unitarians."

for such a benign forecast rest on several factors, including the Saudi domestic political system, the Saudi economic system (based overwhelmingly on oil), and the Saudi role in Gulf and Arab politics.

Saudi Arabia has often been described as an absolute monarchy on the order of the European monarchies in the preindustrial age. The analogy is false. The European monarchs, whether or not they were able to wield absolute power, at least claimed to rule by divine right. The Saudi monarchy, on the other hand, is a traditional Islamic system in which the King has no claim to divine authority. He is subject to Islamic law like anyone else, and he rules by consensus, not by whim.

The Saudi constitutional system is based on the Koran and the Sunna (the "traditions" or authoritative sayings of the Prophet Mohammed), as interpreted by the ultraconservative Hanbali school of Islamic jurisprudence² and the teachings of Mohammed Abdul Wahhab. Abdul Wahhab was an eighteenth century Hanbali religious scholar whose Islamic fundamentalist revival movement, generally called "Wahhabism,"³ was adopted by the founder of the ruling Saud dynasty, Mohammed Ibn Saud. The teachings of the revival movement have remained the official Saudi political doctrine ever since.

Abdul Wahhab was influenced by an early Hanbali political theorist, Taqi al-Din Ahmad Ibn Taymiyya, who rejected the innovative practices of the Islam of his day and called for a return to the original doctrines of Islam. Despite the conservative nature of Ibn Taymiyya's teachings, they comprised one of the most revolutionary political ideologies in Islamic history, rivaling in purely intellectual terms the Shia Islamic fundamentalist teachings of Iran's Ayatollah Ruhollah Khomeini. Ibn Taymiyya claimed that political legitimacy came only from strict adherence to the fundamentalist teachings of the Sharia (Islamic law). Any ruler who did not follow God's law, Muslim or not, was not legitimate, and the Muslim community was obliged to rise against him in jihad (usually interpreted as "holy war" but literally meaning the struggle for good and against evil). Ironically, many Sunni Muslim

fundamentalists use these same teachings to justify acts of terrorism.

The Saudi regime was initially militant, waging jihad against its neighbors. In recent times it has lost its revolutionary fervor, but not its fundamentalist principles. The Wahhabi revival movement has provided the regime with an egalitarian political ideology that has served it well through many crises. All Saudi students are given instruction in Islam, and its teachings are deeply imbedded in the psyche and culture of the people. Indeed, one could argue that the binding force of the Wahhabi revival preserved the Saudi state from collapse during the nearly 250 years of its history.

Saudi Arabia has neither regularly scheduled elections nor elected representatives. Thus it is difficult for those steeped in Western democratic traditions to understand the regime's source of legitimacy. In the kingdom, the vehicle for conferring legitimacy is the traditional institution of *ijma*, or consensus. Consent of the governed for the government is expressed through consensus.

In addition, virtually all important government decisions are based on consensus. The decisions that most affect private citizens involve keeping public order, providing for national defense and distributing the national wealth. The importance most Saudis ascribe to these decisions is based mainly on how they perceive themselves (or their families) to be personally affected.

The role of the ruler in the Saudi political system, therefore, is to be guided by consensus and to create consensus where none exists or where the government believes it is desirable. The latter is not accomplished by means of formal electoral processes or even by informal polls or "straw votes," but through another informal institution, called *shura*, or "consultation." Consultation can involve a variety of people (depending on the nature and urgency of the problem addressed), including royal family members, technocrats, personal associates, Saudi and trusted foreign businessmen, and so forth.

If there is no consensus, the decision will be deferred and no action will be taken; to act contrary to consensus is to risk becoming a pariah. No one in government can ignore consensus in making a decision any more than he can ignore Islamic law. Consensus serves as a representative body of opinion.

Another factor broadening the basis of participation in the policy process is the regime's reliance on technocrats in positions of major responsibility. This practice has created upward mobility in the government bureaucracy for anyone with the talent and ambition to serve. The number of technocrats has risen dramatically in recent years, from less than a dozen college graduates in the early 1960's to tens of thousands today.

In earlier years, many observers worried about the decreasing opportunity in government service as senior positions were filled by young incumbents. But as the bureaucracy continued to become more efficient, the need for managerial talent grew. Professional burnout and the lure of more lucrative positions in the private sector also eased the pressure. Thus, although the still cumbersome bureaucratic process can lead to frustration, it has not translated itself, at least at present, into political disaffection.

Another factor contributing to Saudi political stability is the extraordinarily cohesive social structure. Despite the assault of wealth, technology and new ideas, despite the indifferent record of often incompetent bureaucrats, and despite the monopoly of political power in an hereditary royal family, family-based Saudi society is as strong and resilient as any society in the world.

Nonetheless, that society has not been immune to social and economic change. The debilitating influences of modernity—wealth, technology, new secular ideas—and the indifferent record of an often incompetent government and the monopoly of power by the royal family have all taken their toll. But the cohesion of the traditional family-based Saudi society has remained basically intact. And it would take an enormous political or economic disaster seriously to undermine it. Indeed, the cohesive social system rather than the political system is the key to political stability in Saudi Arabia.

SECURITY THREATS

This is not to imply that Saudi Arabia is more impervious to political upheaval than other countries in the region. The legitimacy of the regime has been put to the test many times. During the chaotic reign of King Saud (1953–1964), the prestige of the regime was at an all-time low at home and abroad. There have also been domestic plots against the regime. In the late 1960's, a plot was uncovered in the Saudi military. In the 1960's and the 1970's, dissident left-wing Saudi groups operated out of Iraq, where they were given safe haven. Despite these activities, however, there has never been the large ground swell of public opposition that, for example, marked the downfall of Iran's Mohammed Riza Shah Pahlavi.

As an indication of political instability, Western media sometimes point out the rivalry between Crown Prince Abdullah, the heir apparent, and the next in line to the succession, Prince Sultan, both brothers of King Fahd. Rivalries over succession have always existed in the royal family, but to change the order of succession, a consensus within the royal family would have to be created, which is considered highly unlikely.

If a credible internal threat to the regime were to arise, it would probably not come from the left. Communism and socialism are anathema to Muslims, and they no longer provide appealing ideological vehicles for opposing the status quo, with the cold war ending and the Soviet Union and East Europe seeking to establish market economies.

Right-wing extremism offers a far more likely threat to the regime. It is conceivable that Muslim fanatics, using the regime's own revolutionary Wahhabi ideology against it, might seek to overthrow the regime, not for the principles it espouses, but for its failure to live up to those principles. Opposition to the regime's ties with the secular United States and, by association, with Zionist Israel, could be much more easily justified by revolutionary Islamic ideology than by a Communist ideology.

There is also a potential threat from subnational rivalries. The Hejaz was an independent state before it was subjugated by King Abdul Aziz and his Nejd warriors in the 1920's. Hejazis on the Red Sea, who boast the holy cities of Mecca and Medina and whose country was far more advanced than Nejd, have never recovered from being regarded as second-class citizens. Still, were they to seek independence, they would deprive themselves of oil revenues, because the oil fields are located in the Eastern Province along the Gulf. If for no other reason, Hejazi separatism has not been a factor for years.

THE SAUDI SHIAS

The Shia minority is another possible dissident group. Located mainly in the Eastern Province, the Shias have never been fully integrated into the political, economic or social life of the country. While they could not engineer a coup against any majority Sunni-based government, they could pose a threat to internal security.

The Shias have historically been uninterested in Arab politics, and in the 1950's and 1960's they were given sensitive skilled labor jobs on Aramco oil installations, partly because they were not responsive to the antiregime rhetoric of the Arab radicals. After the fall of the Shah of Iran, there was serious concern that the Shias might identify with an Iranian Islamic revolution against the Saudi regime and thus become a major security threat, particularly to the oil installations. The threat was not borne out, however. Despite a few incidents, like the Shia riots of 1979 and 1980, the Saudi Shia community has remained loyal to the regime.

On balance, threats against Saudi internal stability appear to be manageable. There is more likelihood of a change in leadership than a change in regime. Many senior Saudi leaders will be in their

seventies in the 1990's. A younger generation might differ more in tone than in general policy direction. It would also probably be more self-assured and more independent of Western (and even other Arab) views than the current leadership, although it would still proceed carefully and with consensus.

THE SAUDI ECONOMIC SYSTEM

The Saudi economy is dominated by its oil sector. Without oil, the kingdom would be destitute, relying on revenues from the annual hajj, or pilgrimage to Mecca, as it did before oil was discovered. The hajj is still the greatest source of retail commercial activity in the kingdom (somewhat analogous to a super Christmas merchandising season in the United States), when two million pilgrims converge on the holy cities of Mecca and Medina for between two and six weeks. Still, the Saudis probably spend more in public revenue on maintaining hajj services and infrastructure than is netted in commercial sales.

Because oil so dominates the economy, the state of the international oil market and the Saudi role as a major producer and exporter are crucial determinants of Saudi political and economic stability. The international oil market, like most commodity markets, has been cyclical, with alternating periods of shortage and glut. After a severe oil shortage in the 1970's, the 1980's saw a return to a period of oil glut. Prices bottomed out in 1986, and although prices remained highly volatile, the market remained more or less stagnant until the Iraqi invasion of Kuwait.

At the time of the invasion, there was excess productive capacity, and international oil stocks were at an all-time high. Nevertheless, anxieties over the Kuwait crisis pushed oil prices from around \$16 per barrel to more than \$30, with peaks of more than \$40 per barrel. As of November, it was still too early to tell how long panic buying would keep the price higher than economic factors warrant. The longer the period, the greater the chance for an extended world recession, with world oil demand falling off, prices dropping and the glut extending past the mid-1980's—the time most oil market forecasters thought the glut would end—and possibly extending to the end of the 1990's.

The longer the oil glut lasts, the more difficult it will be for OPEC (Organization of Petroleum Exporting Countries) to maintain discipline among its members in limiting production to stabilize prices, and the more difficult it will be for Saudi Arabia to impose price stability. As the world's largest holder of oil reserves and with a large productive capacity and small domestic consumption, Saudi Arabia has emerged as an international oil power and a regional political power. The Saudis realize

that when the oil is gone they will have difficulty maintaining their standard of living. As a result, the Saudi government long ago realized that maximizing the return on oil requires maintaining stable prices and production at rates low enough to ensure a long-term export market. This philosophy contrasts sharply with that of the price hawks in OPEC, who seek higher prices for near-term profits.

The Saudi interest in price stability is also at variance with the interest of many OPEC members. Price stability has never been a major OPEC goal; its main function is to serve as a mechanism to divide market shares and set overall production quotas among its members. For their part, the Saudis have always been concerned that sharp price fluctuations would create economic dislocations that would have negative political effects.

To maintain what it thought were reasonable prices (that is, higher than the consumers wished but lower than the price hawks wanted) and stable prices, Saudi Arabia assumed the role of "swing producer." It raised production to keep a cap on prices during the 1970's energy crisis, reaching 9.9 million barrels per day (bpd) by 1980; and to keep prices from collapsing during the glut, the Saudis lowered production, to 3.4 million bpd in 1985.

Since then, the Saudi role as swing producer has been difficult. Frustrated by growing cash-flow problems and the fact that OPEC members were cheating on production quotas, the Saudis increased production in 1986 and again in 1988, allowing prices to fall until discipline was restored. After the Iraqi invasion, the Saudis increased production to stabilize prices, but this action was to little avail, given the panicky atmosphere. As market forces reassert themselves, however, the Saudi ability to stabilize prices should improve.

Despite the difficulty in maintaining price stability in oil glut periods, the Saudis apparently want to retain the role of swing producer. Depending on the length of the oil glut period in the 1990's, this might be hard to achieve. One mitigating factor, however, could be the fact that the windfall profits from the price rises in 1990 could ease the cash-flow problems of other OPEC members and make them less willing to indulge in overproduction that drives down the price of oil. In any case, the Saudis will continue to be the dominant producer in OPEC regardless of how well it can play the role of swing producer.

⁴Exact figures conflict. There is even doubt as to whether the Saudis themselves know the precise amount of their total reserves.

⁵Anthony H. Cordesman, *Western Strategic Interests in the Southern Gulf: Strategic Relations and Military Realities* (Boulder, Col.: Westview Press and London: Mansell Publishing Ltd.), table 2.1, p. 17.

Saudi economic policies have closely paralleled oil market cycles. The sharp increase in oil revenues in the 1970's led to massive government spending on economic development projects. Revenues rose even faster than expenditures; by the end of the decade, Saudi Arabia had amassed cash reserves of about \$150 billion.⁴ In the oil glut years of the 1980's, falling oil prices and declining production drastically cut Saudi revenues from \$102.2 billion in 1980 to \$28.5 billion in 1986.⁵ As a result, the Saudis experienced a negative cash flow for most of the 1980's and were forced to make up the shortfall by drawing down reserves to about \$50 billion by the end of the decade.

As revenues fell, the Saudis tried to cut spending. Old programs were abandoned or were stretched out, and new programs were deferred. Debts were rescheduled or payment was simply deferred. It is difficult to see a pattern in the austerity program, however. Defense and security programs were among the least affected, but even many of these programs were stretched out or cancelled.

Despite these moves, there was general consensus among the Saudi political leadership that too stringent an austerity program could cause serious political strains, because government contracts provided a major channel for government distribution of national wealth. In effect, the Saudis were betting that the oil market would turn around before they drew down their reserves to dangerously low levels. They have apparently won their bet, assuming that the costs of the defense effort against Iraq in the Kuwait crisis do not outweigh the windfall profits from higher oil prices. If Saudi Arabia can survive the crisis economically intact, the next few years will probably see a slight easing of the austerity programs of the 1980's. With the prospect of lower oil prices after the crisis, however, there seems to be little prospect for a return to the free spending atmosphere of the 1970's.

There is a basic anomaly in how the Saudi regime views its economic and social development policies. It is fully dedicated to economic development and has spent billions of dollars to try to raise the standard of living of the people. At the same time, it is dedicated to maintaining the fundamental spiritual values of Islam. The Saudis have often said their aim is "modernization, not secularization." The anomaly, of course, is that modernization and secularization cannot easily be separated.

Change has come to Saudi Arabia at a blinding pace. In 1950, there were virtually no college graduates and few secondary school graduates in the kingdom; now thousands are attending Saudi universities and thousands more are studying in the United States and Europe. Videotapes, pocket tape recorders and satellite communications have

brought the world to those who cannot travel.

A very real question is how the kingdom's traditional, puritanical society has avoided total inundation by modernity. With all the changes in their environment, the Saudis' attitudes about themselves and the world about them have remained surprisingly constant. Young men and women studying abroad have never experienced an identity crisis. They know who they are and they know their place in God's universe. Thus, while the massive Saudi spending on economic and social development plans of the past 20 years has had some disorienting effect, it has not seriously affected the stability of the society.

REGIONAL AFFAIRS

As guardians of Islam's two holiest sites, Mecca and Medina, the Saudis have long felt a special responsibility as protectors of the Islamic way of life and the well-being of the Islamic world. This sense of guardianship and a distinctive worldview are basic factors in setting foreign policy priorities.

The Saudi worldview has also been influenced by history and environment. Long isolated in the vast desert reaches of central Arabia, the Saudis never developed an inferiority complex about Western colonialism. Unlike most of their Arab brothers, their very highly developed sense of Arab nationalism did not originate as a reaction to Western nationalism. The Saudis' sense of "Arabness" is based mainly on lineage. Arabians—those who inhabit the Arabian peninsula and the deserts of Jordan and Iraq—are the original and, in the Saudi view, the only "pure" Arabs.

As a result of this convergence of history, geography and religion, Saudi foreign policy perceptions reflect both a classical Islamic view of the world and a patrician attitude toward Arab politics. In the classical Islamic view, the world is bipolar—divided into those who are monotheists led by Muslims (but also including Christians and Jews) and those who are atheists. This view explains Saudi Arabia's antipathy to communism, which is considered an atheist doctrine threatening the world of Islam. The patrician Arabian view explains the complex and confusing Saudi attitudes toward other Arab states. Only the Gulf Cooperation Council states share a comparable Arabian lineage, and they are all considered junior partners in Gulf politics.

Israel presents a problem in this worldview. Judaism is accepted as a revealed monotheistic religion, but Israel is perceived as a major threat. To cope with this dichotomy, the Saudis distinguish between Zionism, which they oppose as a secular political doctrine, and Judaism, which they respect as a revealed monotheistic religion.

The Saudis consider the Arab-Israeli problem to be a major external political threat. They believe that the longer the problem goes unresolved, the more young Arabs will turn to radical and militant ideologies, left and right, because they are frustrated that Israel unjustly denies self-determination to the Palestinians.

However, the Arab-Israeli problem will probably enter a new stage after the Kuwait crisis, partly because of the end of the cold war, which may lead to United States-Soviet cooperation to seek a settlement. Another reason is the isolation of the Palestinians themselves, because they have not joined the Arab consensus in supporting Saudi Arabia and Kuwait against Iraq.

Any successful Arab-Israeli peace proposal needs Saudi approval. Not only is Saudi Arabia the leading moderate Arab state and a key part of the Arab consensus that would make a settlement possible, but the Arab financing required to establish a Palestinian entity on a sound economic footing must come mainly from Saudi Arabia. The need for Saudi financing is generally conceded by all parties, including the Saudis themselves.

In recent years, the Saudis have had to wrestle with a new threat: the rise of revolutionary Islamic fundamentalism. The Saudis are comfortable opposing godless, left-wing doctrines, but the rise of militant Islamic fundamentalism is disturbing, particularly because the Islamic interpretations used to justify the use of violence are similar if not identical to Saudi political ideology.

Saudis take the threat of militant fundamentalist activists seriously, particularly the threat from Iran. In the coming years, they may well adopt a somewhat less tolerant and more rigidly religious foreign policy orientation. This could lead to stricter living conditions for foreign nationals, more in keeping with Islamic social norms, and to more vocal criticism of civil or human rights issues that are seen as a violation of Islam.

In the 1960's, the greatest external political threat was secular radical Arab nationalism, which divided the Arab world. By the end of the 1980's, however, the threat of Arab radicalism had greatly receded. Today, the threat of Arab radicalism is
(Continued on page 38)

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"Iraq's attack on Kuwait in August, 1990, simplified short-term problems for the new Israeli government, but posed very serious long-term issues that will clearly outlast the government even if it survives until the next elections in late 1992."

Israel: The Deadlock Persists

BY ALAN DOWTY

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THE crisis that erupted in the Persian Gulf in August, 1990, came as a reprieve to an Israeli government that had been anticipating a period of intense internal and external pressure to break the diplomatic stalemate on Israeli-Palestinian issues. This government—a narrow coalition of right-wing and religious parties led by the Likud party's Yitzhak Shamir—had itself been established only two months earlier, following the collapse of the national unity government that had been established after the 1988 elections (and that succeeded an earlier national unity government that had managed to hold together for four years after the 1984 elections). But while the Iraqi invasion of Kuwait provided some temporary short-term relief to Israeli policymakers, it raised some disturbing long-term implications for Israel and did nothing to resolve the basic problem of Israeli politics: the persistence of a fairly even balance between opposing views on key foreign policy issues, which is embodied in a political deadlock that has guaranteed immobility.

The deadlock in Israeli politics can be traced back to 1984, and in some sense to the "upheaval" in the 1977 elections, when Likud ended almost a half century of domination by the Labor party and its predecessors in Israel and the pre-independence Jewish community in Palestine. The traditional position of the Labor party and its allies was, and is, to accept the partition of Palestine in principle and to regard the future of those parts of mandatory Palestine occupied by Israel in the 1967 Six-Day War (the West Bank—or Judea and Samaria in Israeli terminology—and the Gaza Strip) as subject to negotiation. In practice, this has been interpreted as "a willingness for territorial compromise": certain territories considered vital for security reasons would be retained and Jewish settlement would be limited to these areas. However, the bulk of the territory, and especially the Arab-populated areas, would be returned to Jordanian rule, possibly as a Jordanian-Palestinian federation, or as an Israeli-

Jordanian condominium, in return for a permanent peace treaty.

Likud's position was and is a continuation of the historic position of its constituent Herut party, whose former leader, Menachem Begin, was Prime Minister from 1977 to 1983. In Likud's view, Israel has a claim to Judea and Samaria (Greater Israel) on both historic and security grounds, and should act to realize this claim.* The area west of the Jordan River should not be redivided, no "foreign sovereignty" should be reintroduced in the area, and there should be no restriction on Jewish settlement anywhere in the historic homeland. Arabs in the occupied territories should be offered autonomy as individuals, but should express their national identity in the framework of an existing Arab state (especially Jordan, seen as a basically "Palestinian" state). The peace process is thus conceived as a negotiation between Israel and these Arab states on the basis of existing lines of demarcation.

Behind these opposing conceptions, there is a fair degree of consensus in Israel on certain basic issues: both major parties (and most of the Israeli public) oppose the creation of an independent Palestinian state between Israel and Jordan, and both oppose recognition of and negotiation with the Palestine Liberation Organization (PLO) as now constituted and represented (although some Israelis are willing to promise a positive response to a future PLO that is reformed and moderated). Likud, like Labor, also favors the continuation of the "temporary" legal status of military occupation in the West Bank and Gaza, since immediate annexation (a course favored only by small groups on the right) would at once pose the question of the civil rights of the Arab inhabitants who still comprise about 95 percent of the population there, despite 20 years of Jewish settlement. Nevertheless, the gap in approaches to Arab-Israeli diplomacy has prevented the development of a coherent foreign policy during periods when the two parties shared power, and Likud's opposition in principle to Israeli withdrawal from the occupied territories has stymied diplomacy based on this *quid pro quo* (land for peace)—the only position in which Arab interlocutors have been in-

*Editor's note: Greater Israel, which includes the territory now under Israeli control in Judea and Samaria, refers to the whole of the biblical land of Israel.

interested— during its periods of dominance in the government. At the same time, the question of the future of the occupied territories has become the defining issue of Israeli politics.

Part of the problem has been the evenness of the balance between the two major parties. Some long-term trends underlay Likud's success in 1977 and since: the assertion of Sephardic voters (those from Afro-Asian backgrounds) who were alienated from the Labor establishment and more in tune with Likud's hawkishness; the decline of Labor Zionist ideology as a vital force in Israeli life; and the passing of a generation of charismatic Labor leaders (especially David Ben-Gurion) who had symbolized national rebirth. Nevertheless, by the time of the 1984 elections, it was widely expected that the pendulum would swing back to Labor. The unpopularity of the 1984 Lebanese war and the continuing Israeli occupation there, an economic crisis in which inflation reached well into three-digit figures, and the resignation of the colorful Begin as standard-bearer all seemed to indicate a break in the deadlock in Labor's favor.

However, this was not to be. In defiance of expectations, the 1984 elections produced a balance so delicate that Labor and Likud were forced to embark on an era of power-sharing and mutual veto, rotating the prime ministership within the framework of a national unity government. Despite repeated threats of collapse, this rickety structure actually outlasted its term of office.

In part, this could be attributed to the inability of either bloc to form a government on its own and the unwillingness of key parties, at crucial junctures, to face new elections. But it also represented recognition of the need for unity in addressing the country's economic crisis, a task that could not be accomplished unless both Labor and Likud were willing to share the onus of instituting the tough and unpopular measures required. This was accomplished through a sweeping economic stabilization program that successfully reduced inflation from triple digits to low double digits through cuts in government spending, price controls and wage restraints (within a short period of time, real earning power dropped by as much as 30 percent).

These measures aggravated two growing problems in Israeli society: the deterioration of public services in areas like health care and education, and the threat of economic collapse in the agricultural sector (the kibbutz and moshav movements). Nevertheless, the stabilization program was considered a success. Although it did not overcome the basic pressures on the Israeli economy, the program restored some semblance of balance, with the annual rate of inflation running at "only" 18 percent in late 1990.

FOREIGN POLICY

On foreign policy issues, however, the national unity government was stalemated by the opposing approaches of its components. No major diplomatic initiative could gain the support of both Labor and Likud; in early 1987, Shamir (recently rotated to the prime ministership) blocked the effort of Labor leader and newly rotated Foreign Minister Shimon Peres to convene an international conference that would sponsor talks between Israel and a joint Jordanian-Palestinian delegation. The paralysis in foreign policy seemed to be the price most Israelis were willing to pay in return for government unity on economic and other domestic matters. It was also a luxury they could afford so long as they also believed that no credible Palestinian negotiating partner committed to coexistence with Israel had yet emerged. In the mid-1980's, international conditions were also favorable to inaction: the Iran-Iraq war preoccupied much of the Arab world, and Israel was not faced with any crucial decisions on foreign policy issues.

These conditions changed, however, with the onset of sustained Arab unrest (the intifada, or uprising) in the occupied territories beginning at the end of 1987. The intifada posed a sharp challenge that the country's deadlocked political system was ill-equipped to handle. In this context, the scheduled elections of November 1, 1988, like those of 1984, were a potential turning point that in the end turned nowhere. Again the two major parties offered the electorate their opposing conceptions for dealing with Palestinian issues, and again the electorate responded by dividing its allegiance almost evenly between the two camps.

Likud had a slight edge in postelection bargaining, however, because the balance was held by a reinvigorated religious bloc holding 18 of the 120 Knesset (Parliament) seats. Some of the religious parties were closer to Likud's position on foreign policy and defense, and none of them were likely to sit in a government with some of Labor's secular leftist partners. As a result, the Labor party was forced to agree to a national unity government on less than equal terms, with Shamir projected to remain as Prime Minister for the full four-year term of office.

Basic disagreement over foreign policy still deadlocked the government, despite Shamir's stronger position. This became more critical after December, 1988, when PLO leader Yasir Arafat made his highly publicized declaration renouncing terrorism and calling for a negotiated peace based on the coexistence of Israel and a Palestinian state. This statement changed the rules of the diplomatic game, leading to the opening of direct contact between the United States and the PLO, and increas-

ing pressure on Israel for something other than the standard negative response.

It was also clear by this time that the intifada and other developments were having a contradictory impact on Israeli opinion; while the public continued to favor severe measures against violence in the occupied territories, there was also a slight but measurable shift in a dovish direction on some key long-term questions in Arab-Israeli relations. For example, a poll in March, 1989, showed a 58 percent majority in favor of talks with the PLO if it explicitly recognized Israel and ceased all terrorist activity (only 18 percent regarded Arafat's December statement as adequate for this purpose).¹ Another study carried out in early 1989 showed that 27 percent of those who voted for Likud and other right-wing parties in 1988 favored a compromise based on withdrawal from the occupied territories in return for peace—indicating less than full acceptance of Likud's opposition to withdrawal and the possibility of a mobilizable majority in Israel for territorial compromise.²

Under growing pressure, in May, 1989, Israel put forward a proposal that has dominated the diplomatic agenda ever since. Shamir proposed free elections in the West Bank and Gaza to choose Palestinian representatives who would then negotiate with Israel over terms for autonomy and other long-term arrangements in the occupied territories. Although Shamir was later forced by his own party to add conditions that made this proposal less attractive, by early 1990 the mediation efforts of the United States and Egypt had narrowed the gap in terms of holding discussions between Palestinian representatives and Israel regarding such elections. Still unresolved were Israeli demands for an end to violence in the occupied territories before such discussions, the role of the PLO (as well as the inclusion of East Jerusalem residents and West Bank deportees) in the Palestinian delegation, and PLO insistence that eventual Palestinian statehood should also be on the agenda.

THE GOVERNMENT CRISIS OF 1990

By early 1990, mounting pressure for the resolution of these remaining points made it clear that the foreign policy immobility of the 1980's could no longer continue. By this time, Shamir was under increasing fire both from the right (with a threatened split within his own party) and from the left, and he added to his difficulties by tying the issue of Soviet Jewish immigration to the need to retain control of the occupied territories (few Soviet Jews actually settled in the territories, and linking these two

previously unlinked issues only increased pressures and strains from abroad). Labor threatened to break up the national unity government unless the government accepted a pending United States compromise proposal on Israeli-Palestinian talks. Finally, in March, Labor party leader (and Finance Minister) Peres succeeded in bringing down the government on a vote of no confidence, presumably on the issue of Palestinian negotiations but with the help of a religious party dissatisfied for other reasons with Shamir and Likud.

Bringing down the government, however, did not mean that Peres was in a position to offer a viable alternative. After long and involved negotiations, he was ultimately unable to attract enough of the religious bloc to form a government. The mandate was returned to Shamir, who, after equally protracted and intricate maneuvering, was finally able to form a government with a bare majority in early June. This government, marking the end of five and a half years of power-sharing by the two major blocs, was basically a Likud government backed by three smaller parties to the right of Likud and by three of the four religious parties. Shamir remained as Prime Minister; David Levy, the leading representative of Likud's Sephardic constituency, took over the foreign ministry while remaining as Deputy Prime Minister; and two other Likud leaders returned to posts they had filled in the past: Moshe Arens as defense minister and Yitzhak Modai as finance minister. The controversial Ariel Sharon, blocked once more from returning to the Defense Ministry from which he had been ousted after the Lebanese war, nevertheless was given the Cabinet portfolio of minister of construction and housing.

The prolonged hiatus between the fall of the government and the formation of its successor occasioned a considerable amount of public criticism and discontent. For almost three months, the political scene was dominated by the unedifying spectacle of unprecedented political haggling; at one point, a smaller party even demanded the quashing of criminal proceedings against one of its members as a condition for joining the government. Coalitions stitched together at great effort were torn apart by the defections of one or two members, while the intervention of ultraorthodox rabbis, whose influence over their followers was often decisive, stirred feelings of outrage among Israel's secular majority (one such rabbi, an anti-Zionist leader living in Brooklyn who refuses even to visit Israel, was largely responsible for Peres's failure to achieve a majority). The result was the reemergence of strong sentiment for electoral reform, with calls for modifications in Israel's strict proportional representation system that would curtail the power

¹*The New York Times*, April 2, 1989.

²Elihu Katz, "Hawkish Majority, but Dovish Trend," *Jerusalem Post*, February 10, 1989.

of smaller parties. The proposal for direct election of the Prime Minister attracted the most attention. But once a government had been formed (and once the Gulf crisis brought new concerns), the fate of the projected reforms was again left up to the Knesset; the body that was itself the target of the demands.

The concern over what appeared to be the growing power of the religious community was also unlikely to find an early resolution. This concern was hardly new, but it had reached a new peak after the religious parties had won 18 seats in the 1988 Knesset elections, with the ultraorthodox parties accounting for 13 of those seats (contrasted with the 6 they had won in 1984). Other observers pointed out, however, that the bargaining power of the religious parties was basically a function of the close division between the two major blocs that has prevailed since 1981 and that the 15 percent of the Knesset held by the religious parties is roughly proportional to the percentage of religious (meaning Orthodox in Israeli terms) voters in the country. In addition, surveys on religious identification continued to show a long-term trend toward secularization in Israeli society, despite the greater visibility of religion and the strong political leverage of religious parties in a closely balanced political system.³

The new government committed itself to the vigorous pursuit of Shamir's peace initiative of May, 1989, which it sees as a step in implementing the Camp David accords of 1978; these accords would establish an autonomous regime for the Arab population of the West Bank and Gaza.⁴ While the Camp David accords envisioned this regime as a transitional phase, Shamir and his new government regarded autonomy as the final resolution of the West Bank and Gaza issue. Under pressure from its smaller right-wing allies (one of which is committed to the "transfer" of Arabs from the occupied territories), the coalition agreement for the government also promised a renewed push for Jewish settlement in Judea and Samaria; such efforts had been slowed down during the period of the grand coalitions with Labor.

SOVIET JEWISH IMMIGRATION

Even before the Iraqi crisis, the new government's attention was greatly distracted by the issue of Soviet Jewish immigration. By

³See the evidence collected in Alan Dowty, "Jewish Political Traditions and Contemporary Israeli Politics," *Jewish Political Studies Review*, vol. 2, nos. 3-4 (fall, 1990).

⁴The Camp David accords were signed in 1978 by United States President Jimmy Carter, Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat at Camp David, Maryland. The accords established a framework that would lead to the "full autonomy" of the Arab inhabitants of the West Bank and Gaza Strip after a five-year transitional period.

mid-1990, the number of Soviet immigrants had reached an unprecedented level as a result of the liberalization of Soviet policies, renewed anti-Semitism in the Soviet Union (also, paradoxically, a result of liberalization) and the imposition of stricter limits on the number of Soviet refugees accepted by the United States. As the problems of housing and other matters of absorption became critical, the Cabinet turned to Housing Minister Sharon—a man with a reputation for overcoming obstacles, whatever they may be—to act on an emergency basis in dealing with the influx. One of Sharon's first steps was to try to remove the issue from partisan politics and international complications by announcing that Soviet Jews would not be settled in the occupied territories, implicitly reversing Shamir's earlier linkage of the two issues.

Projections that the new "hard-line" government would adopt harsher policies toward the intifada proved initially to be unfounded. In general, the level of violence in the occupied territories had been declining, and in recent months more casualties had been caused by the "intrafada" (intra-Arab violence) than were inflicted by the Israeli army. Defense Minister Arens instituted changes designed to lower the profile of the Israeli presence still further, and the initial result was a lowering of Arab casualties.

On October 8, however, this trend was dramatically reversed by a clash in Jerusalem that left at least 21 Palestinians dead. It was not clear that this incident resulted from changed Israeli policy; the casualties were inflicted by the border police rather than the army, and the government appointed a commission to investigate the causes of the tragedy. But the resulting increase in tensions, reinforced by strong Palestinian support on the street for Iraqi President Saddam Hussein, made it hazardous to predict the future direction of events.

Iraq's attack on Kuwait in August, 1990, simplified short-term problems for the new Israeli government, but presented very serious long-term issues that will clearly outlast the government even if it survives until the next elections in late 1992. Shamir, Levy, Arens and the rest of Likud's leadership had been braced for what, by all signs, would have been a serious effort to revive the "Baker Plan" for Israeli-Palestinian negotiations on terms that Likud would have had trouble accepting. In a widely publicized speech in October, 1989, before the chief pro-Israel lobbying group in the United

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"Whether the Gulf crisis ends in war or in compromise, the Arab world will hold the United States to a much stricter standard than ever before with regard to Palestinian rights. A conflict that initially appeared to have mainly negative consequences for the Palestinians . . . may create pressure toward a peaceful resolution of their conflict with Israel."

The Palestinians and the Gulf Crisis

BY RASHID I. KHALIDI

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PALESTINIAN support for Iraqi President Saddam Hussein's invasion of Kuwait on August 2, 1990, led many to believe that the Palestinians would suffer for supporting Iraq. The strong anti-Palestinian backlash in the United States, Israel, Egypt and the Arab states of the Persian Gulf seemed to confirm this view. However, the Palestinian position on Iraq's invasion is much more nuanced, ambiguous and equivocal than it has been portrayed. Thus, if the Palestinians continue to suffer from the effects of the Gulf crisis, it will be for reasons other than the stand they have taken on Iraq.

The keystone to the portrayal of the Palestinians as siding entirely with Iraq and against Kuwait is based on what took place at the Arab League meeting in Cairo on August 10. At the meeting, the PLO (Palestine Liberation Organization) reportedly voted against a resolution condemning the Iraqi invasion and supporting the deployment of American and other multinational forces to Saudi Arabia. This was a crucial moment in the crisis; only afterward was the Arab world openly divided over Iraq's invasion of Kuwait, and only afterward did the Arab states support an American presence in the region.

In fact, the PLO did not vote against the August 10 resolution. After the resolution was introduced, Egyptian President Hosni Mubarak asked only for the votes in favor—there were 12—and then concluded the session, refusing to allow amendments,

¹A "PLO Executive Committee Statement on the Gulf Crisis," dated August 19, made these assertions. It was published in Arabic by the *Palestine News Agency Bulletin* (Washington, D.C.), vol. 5, no. 26 (September 1, 1990).

²See David B. Ottaway, "Some Saudi Doubts about War Preparations Seep to Surface," *Washington Post*, September 20, 1990, pp. A25, A31; and Judith Caesar, "The War of Words in Saudi Arabia," *Washington Post*, October 10, 1990, p. A21.

³These figures were issued in a leaflet summarizing the results produced by an economic study group of the General Federation of Palestinian Trade Unions, reported in *The Jerusalem Post*, September 11, 1990. Estimates on returns to the occupied territories were made by Professor Saeb Ireqat of al-Najah University, presented at a seminar in Jerusalem on September 15, 1990, reported in *Al-Fajr*, September 16, 1990.

discussion, votes against or abstentions. Three heads of state later claimed that Mubarak had prevented them from speaking at the summit, and alternatives to the Egyptian-Saudi resolution were not presented for a vote. These included a PLO proposal that the Palestinians claimed had the approval of all parties, including Egypt and Saudi Arabia. The PLO said later that if Mubarak had allowed a vote, it would have abstained rather than voting against the resolution, since it opposed the Iraqi invasion of Kuwait but was unwilling to endorse a major United States military presence in the heart of the Arab world.¹

This has also been the position of many Arab states, from Algeria, Mauritania, Tunisia, Libya and Sudan in North Africa, to Jordan and Yemen in the Middle East. It also has many followers in countries like Morocco, Egypt and Syria, which voted for the resolution of August 10 and have sent troops to Saudi Arabia; it is even the position of some circles in Saudi Arabia itself.² For the Palestinians and other Arabs who have adopted this position, the Iraqi invasion, occupation and annexation of Kuwait is a great evil, but a massive American military presence in the region is an even greater evil.

In response to their stand, the Saudi government has inflicted particularly severe punishment on Jordan, Yemen and Sudan. Citizens from these countries have been forced to return home from lucrative jobs in Saudi Arabia, and financial subsidies have been cut off. But the Palestinians and the PLO have felt the special ire of the Saudi government and its allies—Egypt, Syria, the Kuwaiti government-in-exile and the Gulf principalities. As of September, 1990, the General Federation of Palestinian Trade Unions estimated that more than 56,000 Palestinians had left the Gulf, either because they had been expelled or because their work contracts were not renewed. Of these, an estimated 20,000 to 30,000 have returned to the Israeli-occupied West Bank and Gaza Strip.³

The Palestinians received this particularly severe treatment partly because they are weaker and more

vulnerable than countries like Algeria and Libya, and are thus an easier target. But there are other reasons. The most important is that the Palestinians have been a crucial legitimizing factor in the Arab state system. The PLO's absence from the ranks of those supporting the Saudi-Egyptian-Syrian-Gulf states coalition was seen by all these states as possibly undermining the domestic legitimacy of their overt alliance with the United States.

THE PALESTINIAN POSITION

The Palestinian position on Iraq's invasion was profoundly ambivalent because virtually all Palestinians judged the invasion according to their own interests. On the one hand, the Iraqi invasion raised issues that are crucial to the political posture that the PLO has adopted in recent years, which is based on the acceptance of United Nations (UN) Security Council resolution 242. This resolution declares the inadmissibility of the acquisition of territory by war. On this basis, it calls for Israeli withdrawal from territories occupied during the 1967 Six-Day War, in return for a just and lasting peace. Most Palestinians, and certainly the PLO, believed that it would be inconsistent to champion such principles in the Arab-Israeli dispute but to deny them in the Iraqi-Kuwaiti conflict. The PLO thus repeatedly affirmed that it opposed the Iraqi occupation and annexation of Kuwait.⁴

On the other hand, the PLO and the Palestinians have long been preoccupied with Israel and the extensive support it receives from the United States. They are fundamentally opposed to anything that makes the Arab states more dependent on the United States and therefore less likely to support the Palestinian cause. For this reason, the PLO and several Arab states (notably Jordan, Yemen, Algeria and Sudan) tried to organize an Arab mediation effort that would settle the Gulf crisis and prevent American military intervention in Saudi Arabia.

The Palestinians' belief that the United States is "tilted" toward Israel is at the heart of the Palestinian reaction to the Gulf crisis. But other elements shape this belief as well. One important element is deep resentment at the failure of Egypt and the Arab states of the Gulf to use their influence with Washington to find a just resolution to the Palestine

question. Many Palestinians make this criticism in even harsher terms. They accuse the oil-rich monarchies of the Gulf of caring only for staying in power with the help of their Western friends. They argue that these regimes purchase Western support by not allowing the embarrassing Palestinian issue to become an irritant in their relations with the United States.

An undercurrent in this attitude is anger at the treatment skilled Palestinian workers have received in the oil-producing countries, where their efforts and those of other workers from Lebanon, Egypt, Jordan and Syria have been essential in building modern infrastructures. Such estrangement between expatriate work forces and host governments exists to some degree in all the oil-producing countries, but it has grown particularly severe between the Palestinians and the Gulf states. This poor treatment explains in part the lack of sympathy among many Palestinians, and in much of the Arab world, for the cruel plight of the Kuwaitis.

Another factor in the Palestinian response to the crisis was a certain sympathy for Iraq among Palestinians and many others in the Arab world that preceded the invasion of Kuwait. This sympathy grew from despair over the failure of Arab efforts to resolve peacefully the conflict with Israel during the past few years, largely because of the intransigence of the Israeli government of Prime Minister Yitzhak Shamir and the complaisance toward the Israeli government of the administration of United States President George Bush. In a situation where the Palestinian intifada (uprising) has continued for nearly three years without effect and the leading "moderate" Arab states, notably Egypt, have been unable to affect American or Israeli policy, Iraq's belligerent posture appeared to be a viable alternative.

Despite such sentiments, the Palestinians had deep misgivings about an alignment with Iraq even before the invasion of Kuwait. In the past, Iraq has tried to control Palestinian policy in a heavy-handed manner. This was especially true in the mid-1970's, when it used dissident Palestinian factions like Abu Nidal's to launch murderous attacks on the PLO in order to force it not to advocate a compromise settlement with Israel. The Iraqi regime's harsh domestic policy has always been anathema to most Palestinians, who value freedom in their national movement, as seen by the open debates within the Palestine National Council, the Palestinian "parliament-in-exile."⁵

The situation inside the occupied territories, where the intifada had begun in December, 1987, apparently weighed heavily in the PLO's decision to shift toward Iraq. Although the shift was symbolic, PLO leaders may have thought it was all that they

⁴See the PLO Executive Committee statement on September 12, 1990, in which it reiterated its stand, in Arabic, in the *Palestine News Agency Bulletin*, vol. 5, no. 27 (October 1, 1990); as well as Yasir Arafat's speech to the Conference of Non-Government Organizations in Geneva on August 29, 1990, reported in *Al-Fajr*, op. cit.

⁵For more on these debates see Alain Gresh, *The PLO: The Struggle Within* (London: Zed Books, 1985), and Helena Cobban, *The Palestinian Liberation Organization: People, Power and Politics* (Cambridge: Cambridge University Press, 1984).

could do in view of the disappointing American response to the PLO's peace initiatives in 1988.

Most disappointing was the Bush administration's decision soon after it took office not to move more quickly on the peace process than the Israeli government was willing to. Progress stopped completely once it became clear that the Bush administration was unwilling to force the pace or to penalize Israel, even when Shamir brought down his coalition government in March, 1990, rather than go ahead with the provisions of his own peace plan. The Palestinians felt that the great sacrifices of the intifada and their attempt to meet American conditions for new negotiations had been in vain.

It was a clear sign of the direction events in the region were taking when an Iraqi-based Palestinian group carried out an unsuccessful attack on a Tel Aviv beachfront during the summer of 1990. The PLO, unwilling or unable to alienate Iraq, did not condemn the raid, a failure that allowed the Bush administration to break off the fruitless dialogue it had been pursuing with the PLO. This undermined the already dim prospects for negotiations and pushed the PLO further into the waiting arms of Iraq—which was undoubtedly one of the aims of the Tel Aviv attack.

THE RESULTS OF AMBIVALENCE

How will the Palestinians and the PLO fare because of their ambivalent response to the Iraqi invasion? The answer lies in three issues: (1) the direct impact of this crisis on the Palestinian communities in the Gulf and its direct and indirect impact on other Palestinian communities that are dependent on the Gulf; (2) the negative impact the crisis has had on perceptions of the PLO in the United States and Israel; (3) the possibility of linking the Palestinian-Israeli conflict and the Gulf crisis.

Although there are few reliable or recent figures on the size of the Palestinian communities in the Gulf, they are estimated at roughly between 500,000 and 600,000: more than 300,000 in Kuwait (before the Iraqi invasion); 150,000 in Saudi Arabia; and perhaps another 100,000 in the other Gulf states. While they were dwarfed in size by the Palestinian community of more than 2 million in Israel and the occupied territories and more than 1 million in Jordan, the Gulf Palestinians were the most prosperous Palestinian community.

Despite their status as noncitizens, whose continued prosperity and well-being were largely

⁶This is reported by the Union of Charitable Societies in the occupied West Bank, which described a considerable dropoff in funds from the Gulf in August and September, 1990. "From the Field" (Chicago: Palestine Human Rights Information Center, 1990), pp. 3-4.

dependent on the goodwill of their hosts, the Palestinians in the Gulf did remarkably well for several decades. They became the nucleus of a new Palestinian entrepreneurial class made up of contractors, traders, bankers and professionals; they were an important factor in Palestinian politics, funding and making up a large part of the various constituent groups of the PLO; and the modest remittances of tens of thousands of individual Palestinian expatriate workers played a major role in keeping the economies of the occupied territories and Jordan afloat.

The importance of these remittances was made clear during the economic slump of the mid-1980's, when oil-producing states suffered from a sharp decline in the price of oil. The recession devastated the economies of the occupied territories and Jordan, and contributed both to the intifada and to the unrest that led Jordan to reinstitute multiparty parliamentary elections. It is easy to imagine the impact wholesale expulsions of Palestinians from the Gulf would have on both these regions. Further damage would occur if individuals, charities, universities and other public bodies in the Gulf decrease their support for Palestinian institutions—a process that has already begun.⁶

The Palestinians' response to the Gulf crisis has also caused a shift in the way their cause is viewed in the United States and Israel. There is little question that, however inaccurately or incompletely the Palestinian and PLO positions have been conveyed in the media, the general impression of the Palestinians in these two countries has been negative. Iraq has been judged beyond the pale by virtually the entire range of respectable opinion, and the PLO has been described as little more than a stooge of the Iraqis, which has made it easy for those already opposed to the PLO to blacken its name further. The indiscriminate Palestinian popular support of Iraq in its opposition to the American military presence in Saudi Arabia made this task even easier and appeared to render superfluous a close reading of the Palestinian and the PLO response.

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As Iran continues to consolidate its revolution in the post-Khomeini era, "the Gulf crisis may well lead to shifts in Iran's domestic and foreign policy However, the crisis also creates new opportunities for Iran."

Charting Iran's New Course

BY RICHARD W. COTTAM

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AYATOLLAH Ruhollah Khomeini's death in June, 1989, marked the end of a decade of political, social and cultural transformation in Iran. This change was revolutionary in two respects. First, a well-entrenched sociopolitical elite had been ousted and much of it had fled the country, replaced by an elite drawn from sections of the religious leadership. Second, among regime supporters, the new leaders had succeeded in altering the very basis of Iranian cultural and political identity. The nation became less a focus of identity, and primacy was given to the community of believers, the Islamic ummah. Khomeini came to be referred to as "the imam of the ummah," the guide and inspiration for all of Islam. Secular nationalism was treated as a manifestation of an alien European culture that the imperial powers sought to impose on the Muslim world.

Despite the enormity of these changes, however, the long-term durability of the Islamic republic is questionable. In the economic realm, the changes of the past decade could not be described as revolutionary or even as having a clear direction. Khomeini, with his professed concern for egalitarianism and social justice, might have been expected to favor a sharply redistributive economic policy that would have required state planning and control of the economy. Instead, he retained the economic philosophy that Iran had developed during the previous era.

Second, the change in cultural attitudes and in the focus of identity is largely confined to a minority of the population centered in the Persian-speaking, urban, lower and lower-middle class that is led by a narrow elite. Long-term regime stability requires that the new governing elite expand to incorporate individuals with the technocratic skills necessary to manage an advanced society and economy. It also requires greater acceptance of Islamic cultural at-

titudes and identity by the rest of the population. An appraisal of the first year of post-Khomeini Iran should therefore identify and evaluate trends in these areas. Unfortunately, since Iran remains to a considerable degree a closed society, such an appraisal must rest more on inference than on hard evidence.

Most of the characteristic features of Khomeini's Iran had crystallized by the end of the second year of the revolution.¹ The revolution was not simply an Islamic revolution. Among its leaders, Khomeini had the greatest popular appeal. But those who actually directed the revolution included a range of individuals: leftists, secular and religious liberals, deeply committed Iranian nationalists and a number of clerics and their bureaucratic staffs. Within weeks of the overthrow of Mohammed Riza Shah Pahlavi's regime, a process of polarization had developed among those who had supported the Shah's overthrow.

On one side were those who fully accepted Khomeini's cultural interpretation of Islam and looked to Islam as the basis of their identity. On the other side were those who, despite their reservations regarding what they had called "West intoxication,"² accepted cultural norms and values associated with what they saw as the best of the West and looked to the Iranian nation as the basis of their identity. These were two very different and mutually hostile communities, cohabiting in the same territory.³ Neither side granted the other the right to govern Iran.

Within two years the Islamic leadership, totally dedicated to Khomeini, was in full and unquestioned control of Iran. Its primary competitors had left Iran, along with hundreds of thousands of supporters. This opposition saw that the only real hope of overturning the despised regime was to convince foreign powers, mainly the United States, to take the lead in such an operation. Indeed, its exaggerated faith in American power explains much of the impotence of the intransigent opposition to Khomeini. Most of this opposition believed that Khomeini rose to power because of United States sponsorship; they believed that the United States saw Khomeini as a more effective ally than the

¹See Shaul Bakhash, *The Reign of the Ayatollahs* (New York: Basic Books, 1984), for an account of the rhythm of the revolution.

²The term was popularized by Jalal al Ahmad, *Gharbzadegi* (Lexington, Ky.: Mazda Publications, 1982).

³This apt phraseology was expressed to the author by Professor Nikki Keddie.

Shah against Soviet expansionism. Khomeini could be easily overthrown, it followed, if the United States shifted its support from him as it had done from the Shah. The opposition was so preoccupied with gaining American support that it never seriously considered an alternate strategy of opposing the regime from within Iran.⁴ This effectively led to sullen acquiescence in a regime with which the opposition could in no way identify. At the time of Khomeini's death, therefore, the regime was not seriously threatened from within, despite the narrowness of its enthusiastic support base.

A second critical feature of the Islamic regime at the time of Khomeini's death was the absence of a leadership faction capable of establishing full control of the government. This feature, like the polarization of the Iranian public, was a direct consequence of Khomeini's leadership style. With few exceptions, Khomeini refused to translate programmatically his highly abstract vision of an Islamic ideology. Instead, he tolerated a wide range of programs within his government and among his supporters. Moreover, he consciously used his influence to prevent the creation of factions around opposing programs. When those favoring a particular programmatic package appeared to be gaining the upper hand politically, Khomeini would throw support to those who seemed to be facing defeat.

Over time, differing policy tendencies emerged, and loose associations developed within the leadership. In 1989, three major areas of significant policy preference differences could be identified. The first included those who favored and those who resisted a policy that redistributed economic rewards. Those who favored economic redistribution believed that government planning, regulation and control of the economy would ensure that the needs of the most disadvantaged in the population would be addressed. Those who opposed it wanted few limitations on a market economy and on entrepreneurial innovation; they argued that experience, especially the negative experience in the Communist world, demonstrated that this was the better way to produce a high quality of life.

A second division reflected sharply differing attitudes toward interacting with the international economic system in reconstructing Iran's war-damaged economy. Those who opposed such interaction believed that the price for opening Iran's economy would be a loss of control over economic development. They argued that this would force Iran to sacrifice the values that are central to the Islamic vision of a good society. Materialism, consumerism

and an indifference to spiritualism, they felt, would characterize Iran. Proponents of opening Iran to the external world argued that Iran's horrendous reconstruction problems, the weakness of its economy and growing world economic interdependence left the country no choice other than to interact with the international economic system.

The third division is one commonly found among revolutionary societies confronted with worldwide hostility. On one side were those who favored giving priority to constructing the ideal Islamic society in one country—Iran. Their opponents argued that, even though Iran had been compelled to accept a cease-fire with Iraq and continued to be threatened by a militarily superior alliance led by the United States, there were many opportunities to aid the forces of Islam in other countries. They pointed to the Palestinian intifada and the Hezbollah (Party of God) as movements that should be supported by the forces of the Islamic revolution.

FACTIONAL TENDENCIES

As the time of Khomeini's death, Hojatolislam Ali Akbar Hashemi Rafsanjani, the speaker of Parliament, was the second most influential leader in the regime. Unlike Khomeini, his teacher and mentor, Rafsanjani was a man of the world with highly developed political skills. Because he placed the highest value on regime consolidation, he needed to maintain a consensus in the regime's core support group while broadening the technocratic base of the regime and reconstructing Iran's economy. He therefore had to maintain the appearance of full loyalty to what was referred to as the "line of the imam," while taking measures, including opening Iran to the international economic community, that could improve the economy. His position reflected an inward-looking policy and became the majority position.

The individual who most visibly opposed Rafsanjani's stand on the three major policy differences was the minister of interior at the time of Khomeini's death, Hojatolislam Ali Akbar Mohtashemi. In sharp contrast to Rafsanjani's pragmatism, Mohtashemi was an ideologue, a true and unquestioning follower of the imam. Mohtashemi's advantage over Rafsanjani was the appeal his positions had for Khomeini's followers. Nonetheless, lacking Rafsanjani's political skills and personal finesse, Mohtashemi was consistently outmaneuvered. Furthermore, his personal demeanor subjected him to the charge of insincerity. Still, Mohtashemi and his allies were a formidable force in the regime.

The President of Iran at the time of Khomeini's death, Hojatolislam Ali Hosseini Khamenei, occupied an intermediate position on the factional

⁴The case for this point is developed in Richard W. Cottam, "Khomeini, the Future and U.S. Options" (Muscatine, Iowa: The Stanley Foundation, 1987), Policy Paper 18.

scale. Respected for his intelligence, sincerity and loyalty, Khamenei was in the best position to challenge Rafsanjani in a post-Khomeini regime.⁵

SOLVING THE SUCCESSION PROBLEM

Shortly after Khomeini's death, a formula emerged for succession that maintained an essential leadership consensus for at least the short and medium term. The major actors apparently realized that survival of the regime required a swift resolution of the succession question that would be generally accepted. Otherwise, the regime's core support might lose confidence. The constitutional institution, the Assembly of Experts, was designated to select Khomeini's successor.

Khomeini's successor had to meet two very different criteria: he should be recognized as one of the most learned religious leaders of the Shia world, and he should have a sophisticated understanding of his political milieu. Unfortunately, none of the religious leaders who were accepted as having an exceptionally profound understanding of the tenets of Islam had a comparable understanding of the political landscape. The experts made a rapid and adventurous decision to turn to a man who, though respected as a learned and insightful theologian, was not counted among the top few and was unlikely ever to achieve that degree of respect.

They chose the President of Iran, Ali Hosseini Khamenei who was quickly acknowledged as an ayatollah. Khamenei met the criterion of comprehending the domestic and external political milieu. And, as a person who took an intermediate position regarding the issues that divided the emerging factions, he was acceptable to all three groups. This was critical, because it was apparent that Rafsanjani would soon be elected President of Iran. Furthermore, the office of President would be upgraded, and the office of Prime Minister would be abolished. The Prime Minister, Mir Hussein Moussavi, was generally allied with Interior Minister Mohtashemi. Rafsanjani had won a degree of preeminence, and Khamenei would have to play the sensitive role of balancer to maintain leadership consensus.

Following his election as President, Rafsanjani replaced three leading advocates of the more radical tendency: Mohtashemi, the minister of interior, Mohammad Asqar Khoiniha, the prosecutor general, and Behzad Nabavi, the minister of heavy industry. But this bold action did not herald the imminent defeat of the faction. The majority of Parliament belonged to that faction, as did many officials in critical government positions. True to expecta-

tions, Khamenei began playing Khomeini's role: giving support to the weaker faction.

The first year of the post-Khomeini era belied the expectations of those who believed that there would be a power struggle. Instead, the competitors have reached an equilibrium, as seen by the degree of freedom available to those who offer unquestioned support to the regime. Candidates for Parliament must have government approval, and only individuals who accept the regime receive that approval. However, those approved include individuals with broadly differing views, and the elections appear to be relatively open. Voters can choose among competing political philosophies. Newspapers and other periodicals represent the spectrum of views held by regime supporters, and competition in the press is often vigorous. In addition, a number of political organizations are genuinely competitive. These organizations may constitute the basis for the evolution to a multiparty system. Apparently, the government has enough confidence to extend a good deal of freedom to those who support the regime.

TREATMENT OF THE OPPOSITION

The government's response to opposition from those who reject the legitimacy of the regime offers a different picture. In the summer of 1990, an open letter to government leaders was widely distributed by a group that had played a major role in the organization, direction and execution of the revolution. The signatories of the letter included Mehdi Bazargan and Ibrahim Yazdi, who had served respectively as Prime Minister and foreign minister in 1979, and an assortment of religious and secular liberals (particularly notable was the presence of highly respected clerics, including one ayatollah). The signatories shared a deep devotion to the rule of law. The letter was extremely hard hitting, charging that the revolution had been betrayed.

Bazargan had tried a year earlier, before Khomeini's death, to have his organization, the Freedom Movement, recognized as a legal party and had asked permission to republish the group's long-suppressed newspaper. In so doing, he had signaled that his opposition group was willing to participate in the system with the undisguised intention of working for fundamental change. However, the regime was unwilling to risk opening the system to that extent. The reaction to the letter a year later was even more severe. Several signatories were arrested, and elements in the press that agreed with Mohtashemi charged the liberals with treason.

The regime's response to the intransigent opposition was predictable but still revealing. Some important members of the royalist opposition abroad were assassinated.

⁵See Khamenei's address after being appointed religious leader of Iran. Foreign Broadcast Information Service (FBIS), *Near East Service*, June 9, 1989, pp. 34-37.

However, two groups that had participated in the revolution but then had turned to violent opposition were perceived as serious threats. They were a Kurdish coalition under the leadership of Abdul Rahman Qassem, and the mujahideen, who were advocates of an Islamic social reform program but strongly opposed to clerical rule. The latter had posed a major threat to the regime in its early years and was held responsible for a campaign of violence that decimated the regime's top leadership. Their hostility to the regime was sufficiently intense to lead them to work closely with Iraq during the Iran-Iraq war. The regime responded with a campaign not only against members of the mujahideen but also against anyone with remote connections, often unproved, with the organization. This official counterterrorism surely contributed to the sense of hopelessness felt by many who disliked the regime but saw little alternative to acquiescence.

Clearly, the polarization of the Iranian public and the denial of the regime's legitimacy by a major section of the public is the primary source of regime vulnerability. Strategies for remedying that vulnerability vary sharply within the regime and call for differing domestic and foreign policies. Those allied with Mohtashemi favor a coercive domestic policy. For example, they would suppress the liberal opposition much as the mujahideen have been suppressed and would seek to expand support by vigorously pursuing an Islamic ideological position they see as close to that of Khomeini. In foreign policy, this would require far more vigorous leadership, including an intensified anti-American stand. Compromise or excessive caution, Mohtashemi's supporters believe, will not broaden the regime's base of support but will reduce the fervor of those who support it.

Rafsanjani's position is more sophisticated and less confrontational. He has tried to recruit individuals who have technocratic skills but who may have little or no loyalty to the regime. The strategy appears to be one of co-opting the opposition and bringing critical elements of it into a working relationship with the regime. In foreign policy, Rafsanjani has moved steadily and always unspectacularly toward expanding Iranian diplomatic contacts. The Salman Rushdie case produced major difficulties.* In the Iranian view, the excessive reaction of Europeans to Khomeini's edict that Rushdie be sentenced to death made expanding diplomatic relations in the critical European direction very difficult.

*For details on the Salman Rushdie case, see Robin Wright's article in this issue.

†For an extended account of Saddam's intentions, see Richard W. Cottam, *Iran and the United States: A Cold War Case Study* (Pittsburgh: University of Pittsburgh Press, 1988), pp. 222-226.

FOREIGN POLICY AFTER KHOMEINI

A serious problem for Rafsanjani in opening Iran to broader diplomatic relations was the difficulty of reconciling such a policy with the foreign policy of Ayatollah Khomeini. Rafsanjani could not take actions that his rivals could describe as going counter to the thinking of their dead idol.

But Rafsanjani's political skills should not be underestimated. He turned to quiet diplomacy to counteract Iran's diplomatic isolation, while making public statements that seemed to conform to Khomeini's worldview. His most immediate problem has been presented by Iraqi President Saddam Hussein. Saddam attacked Iran in 1980 with the expectation that the Khomeini regime would collapse or at least surrender areas of oil-rich southwestern Iran.⁶ Had Iran been defeated quickly, Saddam might well have been acclaimed the greatest Arab leader since Egypt's Gamal Abdel Nasser, and his dream of uniting much of the eastern Arab world under his leadership might have been realized. Instead, all he achieved after eight years of terrible destruction was a cease-fire that left him in control of a few hundred square miles of largely arid Iranian territory.

But Saddam also emerged from the war with a major regional military force, firm political control of his country and prospects for a bright economic future, thanks to huge oil reserves. He was also in an excellent diplomatic position. He had benefited from an American "tilt" toward Iraq that by the end of the war was almost a de facto alliance. He was achieving preeminence in an alliance with conservative Arab regimes and had largely succeeded in isolating his primary competitor for Arab leadership, Syrian President Hafez Assad. In other words, Saddam Hussein might renew his claim to Arab leadership that Iran's strong defense in the early 1980's had denied him.

The issue that prevented any movement on the diplomatic front was the renewal of Saddam Hussein's demand that Iran agree to make the eastern shore of the navigable Shatt-al-Arab, the river that flows between Iran and Iraq into the Persian Gulf, the legal border. In 1975 Iraq and Iran had agreed that the border should be the thalweg, or center of the navigable channel, of the Shatt-al-Arab. When Saddam attacked Iran, he denounced the 1975 agreement and claimed the entire river. Rafsanjani

(Continued on page 36)

Richard W. Cottam is the author of *Nationalism in Iran* (Pittsburgh: University of Pittsburgh Press, 1978); *Foreign Policy Motivation* (Pittsburgh: University of Pittsburgh Press, 1977); and *Iran and the United States: A Cold War Case Study* (Pittsburgh: University of Pittsburgh Press, 1988).

"Islam has proved to be a dynamic and energetic force at a time when the world is awash with new political formulations. From India's Kashmir to the Soviet Union's Asian republics, Islam has become an increasingly important political idiom."

Islam's New Political Face

BY ROBIN WRIGHT

Author, In the Name of God: The Khomeini Decade

DURING the 1980's, activist Islam became synonymous in the Western mind with political extremism, terrorism, hostage ordeals and suicide bombings. As the decade came to a close, the Islamic resurgence began a new phase; Islamic movements began to participate in the political system instead of opposing it. Increasingly, the Iranian model has been shunned and the fanatics' bullets have been forsaken for the ballot box. While pockets of virulent militancy remain, notably in Lebanon and the Israeli-occupied territories, developments in North Africa and the Arab heartland indicate that Islam and democracy may not be incompatible.

The two most striking examples of this change occurred in Jordan and Algeria. In both countries, the first open elections in more than two decades led to stunning victories by local Islamic fundamentalist parties. The fundamentalists campaigned using a one-line slogan that is now the rallying cry of a host of disparate Muslim groups in the region: "Islam is the solution."

In Jordan, King Hussein allowed the country's first national elections in 22 years in November, 1989. In the contest for a new Parliament, members of the moderate Muslim Brotherhood and independent Islamic candidates won 34 of the 80 seats. Local elections in 1990 were also won by Islamists, while young Islamic candidates won more than 90 percent of the votes for a student body at the University of Jordan in mid-1990.

In June, 1990, the Islamic Salvation Front (FIS) won an upset victory in Algeria's first multiparty election since independence from France 28 years earlier. The fundamentalist party captured 32 of the 48 regional assemblies and 55 percent of the 1,541 municipal councils. In Algiers, the FIS won all 34 municipal council seats. The ruling National Liberation Front (FLN), which had dominated local and national politics since 1962, came in a poor second, winning 14 regional assemblies and 32 percent of the municipal councils; independents

and a Berber party took the rest. In all of Algeria's major cities, the FLN was overwhelmed by the fundamentalist FIS. Not since the 1979 Iranian revolution had an Islamic party's victory been so decisive. And never before had Islam so overwhelmingly routed a long-dominant power by democratic means.

The decisive Islamic electoral victories in Algeria's municipal and regional elections and Jordan's national elections represented a shift from the vengeful Islamic convulsions—among both Sunni and Shiite activists—witnessed in Iran's revolution and the takeover of Saudi Arabia's Grand Mosque in 1979, in the assassination of Egyptian President Anwar Sadat in 1981 and in Lebanese extremism since 1982.

These election results seem to confirm a trend that first emerged in Egypt in 1987, when the Muslim Brotherhood (in coalition with the Wafd party, since the Brotherhood was officially outlawed) became the largest opposition force in the National Assembly. The elections in three different political systems—a monarchy, a socialist state and a pro-Western country inching toward democracy—demonstrated that Islamists can work within the system and adhere to the rules of the new political game. "The Algerian elections have proven that Islamist movements in our region need not be 'Khomeinist,'" commented Ghassan Tuani, editor of Lebanon's *An-Nahar* and a former United Nations (UN) envoy, in mid-1990. "Islamist movements are capable of being absorbed into the political mainstream."¹

ISLAM'S POLITICAL APPEAL

Islam's victories, of course, have not happened in a vacuum. In Algeria, secular parties boycotted the local elections, demanding that national elections should have been held first. That left the FIS with a distinct edge.

Islam's appeal has grown because of economic hardship, political failure, social turmoil or a combination of all three. These are the very reasons that Middle east governments have begun to experiment with pluralism and democracy. In Algeria, the FIS won in part because of the failure of a revolutionary par-

¹Ghassan Tuani, "Algeria Is Infectious," in *An-Nahar*, June 18, 1990, as translated in the journal *Middle East International*, July 6, 1990.

ty, the FLN, that just three decades ago captured the imagination of struggling nations around the world by battling the powerful French army for independence. In the past decade, Algeria has been plagued with strikes and riots over issues ranging from chronic housing shortages and land policies to education issues. During the last round of riots, which occurred in October, 1988, an estimated 400 people died.

The Muslim demands for change are no different than the demands in East Europe. In a country with an unemployment rate of at least 25 percent, people want jobs. In Algiers, where the legendary Casbah is teeming with several times more people than it can hold, people want housing. With a \$26-billion foreign debt, Algeria has had limited funds to address the country's economic problems; almost 70 percent of its oil revenues have been spent paying off the debt instead of funding local development. In many of the municipalities where the FIS won, the local governments were effectively bankrupt. Algerians were voting as much against an inefficient system as for Islam. The day the election results were announced, the continuing discontent with economic conditions was as visible as ever: gas station attendants on strike, causing long lines of angry motorists; a newspaper strike; and a boycott by garbage collectors, creating piles of garbage on streets throughout Algiers.

"The depth of frustration and anger is causing the kind of fundamentalism that you see making inroads into the middle classes and upper classes and people who ordinarily should not be fundamentalists," said Kamal Abu Jaber, a Jordanian political analyst and historian.

When do people turn to [new] ideology? Whether it's in America or here or France, they turn to ideology when they are in trouble. And the Arab Muslims are in trouble. Every idea they have had has been either condemned or swatted or frustrated.²

So far, however, Islam has not proved that it has all the promised solutions. Despite its motto, the FIS's campaign noticeably lacked specific cures for Algeria's structural problems. But the FIS did mobilize its followers. In response to the garbage strike, bearded men dressed in coarse cotton galibeyah robes, the traditional Algerian dress, collected the slimy piles of refuse with their bare hands.

In Egypt, Islam is also seen as providing alternatives to inadequate or inefficient government services and high-priced private institutions. Various local Islamic societies have established hundreds of

clinics and schools with first-rate services at marginal or no cost. The same has been true in Jordan, although on a much smaller scale.

One of the most striking examples of the "Islamic alternative" cultivating a potent political following has been among Israel's Arab population. In a little-noticed local election in Umm el-Fahm, the second largest Arab town inside Israel, the Islamic bloc won 75 percent of the vote in February, 1989, replacing a Communist administration that had dominated local politics for 15 years. Two popular fundamentalist clerics were elected mayor and deputy mayor of the town of 27,000 in Israel's northern Galilee. The upset followed almost a decade in which fundamentalists had mobilized volunteers and appealed for private donations to organize services—from day-care centers to soccer leagues and local construction projects—that the Communist government had been unable to provide.

Sheik Raed Salah, Umm el-Fahm's Islamic mayor, explained the Islamic bloc's election success. "It wasn't what we said as much as because of the things we had already done. We had been working for ten years, changing people's view of Islam and carrying out a whole range of social projects. That's why people voted for us." A poll conducted in mid-1990 revealed that if the Islamic bloc went national, it would win at least 11 percent of the Arab vote throughout Israel—and thus two seats in the Knesset. Sheik Salah claimed the Islamic bloc could capture between three and six seats.³

AN ORGANIZED FORCE

Islamic movements have also made headway in the Middle East because of the undeveloped political system in newly democratizing regimes; they are the only groups sufficiently organized to move quickly to fill the political vacuum. In Jordan, the Muslim Brotherhood's victory was at least partly due to the fact it was the only "party" allowed to function, mainly as a social movement, before the election. Most other political groupings had not mobilized publicly and new parties had not yet been allowed to register. Indeed, Jordan's election took an unusual course: elections first, then working out the details for implementing pluralism, including registering parties.

Islamic groups have been successful as political systems have opened up in the Middle East for three reasons. First, Islam, the only major monotheistic religion that includes a set of rules to govern a state as well as a set of spiritual beliefs, is a familiar idiom that requires no ideological education or explanation.

Second, Muslim groups also have a network for communication through the mosques and Islamic societies. Third, in many nations, including Egypt,

²Kamal Abu Jaber, interview with author, Amman, May, 1990.

³Jackson Diehl, "Moslems Clean Up Israeli Arab Town," *Washington Post*, July 17, 1990.

Tunisia, Jordan (and even in Israel's occupied territories), Islam was actually encouraged or cultivated by governments beginning in the 1970's to counter leftist, Marxist or Palestinian nationalist movements. Two decades later, Islam had taken deep root. And, when the political dikes were finally opened, the Islamists flooded the system.

The risky gambles by the leaders of Algeria, Jordan and Egypt amounted to a new approach in dealing with Islam: including fundamentalists rather than confronting them and co-opting the Islamic ground swell by forcing its leaders and followers to share the burden of solving staggering domestic problems. The cost-benefit ratio of the alternative—attempting to check the Islamic tide—appeared to be too costly.

The consequences of trying to suppress Islamic tendencies was evident in Tunisia during its local elections in June, 1990. After fundamentalists running as independents won 12 percent of the vote in the 1989 legislative elections, the government banned the Islamic Renaissance party and six other opposition groups from running again. The Renaissance party, Tunisia's largest opposition group, has been considered among the most moderate Islamic parties in the Middle East.⁴ It has not called for the implementation of Islamic law as the basis for governing the state and has pledged to protect women's rights, including their choice of dress and their right to work or to initiate divorce. On the eve of the election, the Renaissance party's exiled leader, Rachid Ghannouchi, pledged, "It is neither moral nor possible to demand freedom for ourselves when we are persecuted and [then] refuse it to others when we are in a position of strength."⁵ Ghannouchi later publicly repeated his pledge at a conference on Islam and democracy in Algiers.

With the Renaissance party and several other opposition groups banned during the 1990 election, the ruling Constitutional Democratic Rally won 99 percent of the vote—according to the government. Both European and American officials, however, said the tally was hardly representative of a country that was also witnessing strong Islamic political fervor. Western envoys estimated that Muslim candidates could win between 25 and 30 percent of the vote in a fully free election. The overwhelming victory for the party of President Zine el-Abidine Ben

Ali was also partly due to the boycott of the election by all other major opposition parties on the grounds that the country's leaders had too much control over the process and that the opposition did not stand a fair chance.

In the short term, the Tunisian government may have secured its hold on power. However, the election undermined President Ben Ali's claim that he was opening up Tunisia to democracy. It also increased the possibility of future confrontation or even violence between the government and the suppressed opposition. Ghannouchi predicted that

the government's intransigence will lead to bloodshed unless Ben Ali follows through on pledges made in 1988 to recognize the aspirations of youth, to open the media to real freedom, to allow a genuine multiparty system and to allow the Islamic party and other opposition forces to be legal. Instead of following through on these pledges, the government has begun to openly harass us.⁶

Recent food riots and campus demonstrations involving Islamists bear out Ghannouchi's prediction.

Indeed, the most militant strains of Islam are in areas where Muslim movements have been suppressed or where grievances have not been addressed, notably in Israel's occupied territories. Since the outbreak of the intifada in 1987, fundamentalists have become increasingly important political forces. The two main Islamic groups are the Islamic Resistance Movement (Hamas) and Islamic Jihad. Both underground groups call for the restoration of mandatory Palestine as a national homeland and publicly reject international initiatives on exchanging land for peace. Both have their strongest support in the Gaza Strip, although Hamas, an offshoot of the Muslim Brotherhood, has gained significant ground in the West Bank.

Three factors in 1990 appeared almost certain to increase the appeal of Islamic activism: the deadlock in the five-point plan put forward by United States Secretary of State James Baker 3d;⁷ the indefinite suspension of United States talks with the Palestine Liberation Organization (PLO) after a foiled seaborne attack on Israel in May, 1990, by the radical PLO faction headed by Abu Abbas; and the death of 21 Palestinians in the October, 1990, clash between Palestinian protesters and Israeli police on the Temple Mount in Jerusalem.

While the PLO retained majority support among Palestinians, Hamas appeared to be gaining ground. In elections for the United Nations Relief and Works Agency staff council in the Gaza Strip in mid-1990, Hamas won 15 of 27 seats. Its election success and its claims of growing appeal in the West Bank and Gaza, particularly among the young, emboldened Hamas in mid-1990 to demand between

⁴The Renaissance party is the name of the former Islamic Tendency Movement, which dropped the religious reference as a concession to the government in exchange for a pledge that the party would be allowed to register—a pledge that was not fulfilled.

⁵Rachid Gannouchi, three interviews with author, Washington, D.C., 1989 and 1990.

⁶Ibid.

⁷For a discussion of Baker's plan, see the article on Israel by Alan Dowty on p. 17 of this issue.

40 and 50 percent of the seats on the Palestine National Council, the PLO's parliament-in-exile, as a precondition for joining the PLO. Among its other demands were the PLO's rejection of any resolution short of the full return of mandatory Palestine; a return to the military struggle in the form of jihad, or holy war, to liberate Palestine; and retraction of all recent concessions, including recognition of Israel's right to exist. The PLO rejected the demands.⁸ In the absence of a settlement on a Palestinian homeland, many Palestinian analysts predict that Islam's appeal may deepen.

THE REVIVAL'S SHIFT

One of the major shifts in the Islamic revival is evident in the cases cited so far: each case involves members of the mainstream Sunni sect, not the Shia, Islam's so-called second sect, which dominated the headlines throughout the 1980's. Indeed, Shiite activism has been less visible than at any time in recent years.

In Lebanon, the pro-Iranian Hezbollah (Party of God) remained a disproportionately strong militia force. But it was constantly challenged militarily and often defeated by Amal, the largely secular Shiite movement, and further kept in check by Syrian forces deployed in Lebanon. Furthermore, Iran cut back its financial assistance to Hezbollah leaders by as much as 90 percent. In the spring of 1990, Islamic Jihad, a cell under the Hezbollah umbrella, released the first two American hostages it had been holding since 1985. Three remaining British hostages were expected to be released soon. The surrender of General Michel Aoun, the Maronite Christian army commander, and the end of his mutiny against the government in October, 1990, also increased hopes that all militias would be disarmed or at least weakened.

The shift in Hezbollah's fortunes was tied largely to Teheran, where Iran's leadership had begun charting a more pragmatic course after the death of Ayatollah Ruhollah Khomeini. The pressures of chronic economic troubles, stalled war reconstruction totaling at least \$350 billion and the devastation caused by the earthquake in 1990 led President Ali Akbar Hashemi Rafsanjani to hasten moves toward reestablishing relations with other countries, including Western nations. Despite the furor over Ayatollah Khomeini's call for the death of British author Salman Rushdie for his "blasphemous" treatment of Islam and the prophet Mohammed in *The Satanic Verses*,* London and Teheran

reestablished diplomatic relations in the fall of 1990. And the first visit by a World Bank delegation to Teheran since the 1979 revolution resulted in a \$300-million loan to Iran. Iran's brand of Islamic revolution appeared, at least on the surface, to be settling down.

In another shift from the earlier bursts of Islamic activism, by 1990 many of the movements were focusing primarily on either domestic agendas or regional issues; the anti-Western rhetoric and extremist campaigns against Western targets had noticeably diminished. However, that trend was abruptly interrupted by Iraq's invasion of Kuwait on August 2, 1990. The deployment of more than 20 foreign armies and navies in the Persian Gulf region shifted attention to the issue of Western intervention in Islamic lands—specifically Saudi Arabia, considered the "Guardian of Islam" because the two most important Muslim shrines are in Mecca and Medina. The growth and direction of the Islamic movement will depend on how the fundamentalists react to the confrontation in the desert sands.

In a blatant attempt to widen his base of support after several UN resolutions left him diplomatically and economically isolated, Iraqi President Saddam Hussein began depicting himself as a pious Muslim and the confrontation in the Gulf as a holy war against foreign intruders and infidels. "Arabs and Muslims are called to liberate the tomb of the prophet from capture by the unbelievers and Jews," he said in reference to Saudi Arabia, where American and other foreign armies were deployed.

Iraqi television also began broadcasting the five daily calls to prayer, a practice common in other Muslim nations but long abandoned in Baghdad. A new genealogy of the Iraqi leader's family revealed that he was descended from the prophet Mohammed, while a pro-Iraqi paper in occupied Kuwait claimed the exiled ruling al-Sabah family was descended from Christian Crusaders and the Saudi royal family was of Jewish ancestry.

Few fundamentalists initially seemed convinced or swayed by President Hussein's born-again appeal. Saddam Hussein has long been the leader of one of the most secular and socialist regimes in the region. Indeed, he gained most of his external support during the eight-year war with Iran because his

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Robin Wright, a former Middle East correspondent, researched this article on a grant from the John D. and Catherine T. MacArthur Foundation. She is the author of *Sacred Rage: The Wrath of Militant Islam* (New York: Simon and Schuster, 1985), and *In the Name of God: The Khomeini Decade* (New York: Simon and Schuster, 1989).

*New York: Viking, 1988.

⁸"Islam Ascendant: Jordan, the West Bank and Gaza," by Robert Satloff in *Islamic Fundamentalism in the Levant* (Washington, D.C.: Washington Institute of Near East Policy, 1990).

"Iraq's invasion and takeover of Kuwait had a profound effect on all major areas of Syria's foreign policy. On the whole, at least in the short run, the effects were very positive."

Syria in 1990

BY ITAMAR RABINOVICH

Professor of Contemporary Middle Eastern History, Tel Aviv University

IN the evolution of Syria's domestic politics and external policies in 1990, Iraq's takeover of Kuwait on August 2 was a watershed. During the first seven months of the year, the malaise that had afflicted President Hafez Assad's Baath regime in the late 1980's continued. The regime faced several difficulties during this period.

Since Hafez Assad's convalescence in 1984 from a heart attack, his regime has not faced a serious domestic challenge. Nonetheless, Assad failed in his efforts to dispel the widely held perception that his regime had peaked. In and outside Syria, observers believed that there was no serious, organized and coherent opposition to the regime. Beyond its ability to survive and to pursue its routine policies, however, the regime had lost its ability to innovate.

In addition, economic difficulties continued. The severe economic crisis of 1987 had been alleviated by the decade's end as a result of larger oil reserves, the measures adopted by the government and some external aid. But the underlying economic problems had not been removed, and hardship persisted.

The outbreak of the Palestinian intifada (uprising) and the changes in the political strategy of the Palestine Liberation Organization (PLO) in the fall of 1988 confronted Assad's Syria with a new problem. Syria did express support for the intifada, but PLO leader Yasir Arafat and the PLO remained Syria's bitter rivals, and their success and enhanced stature in Arab politics were ominously received in Damascus. Syria was even more alarmed by the prospect of Palestinian-Israeli negotiations or a settlement. Any progress toward a Palestinian-Israeli settlement would have underscored Syria's failure to regain the Golan Heights.

Lebanon offered another challenge. From 1983 to 1985, Syria's exploits there were successfully translated into assets at the regional and international levels. But the withdrawal of the United States and Israel, and Lebanese President Amin Gemayel's capitulation in 1985, had a paradoxical effect on Syria's position in Lebanon. It had been comparatively easy to manipulate a diverse coalition directed against two external powers and an unpopular President. It was more difficult to maintain order and effect reform in circumstances constrain-

ing Syria's freedom of action. Challengers from Lebanon's Maronite Christian and Shiite communities, the PLO, Israel, Iraq, France and even his ally Iran obstructed Assad's plans. In 1988 and 1989, Syria failed to replace Amin Gemayel as President with a candidate of its choice, and when Elias Hrawi was finally elected he was prevented by General Michel Aoun, the Maronite Christian commander of Lebanon's army, from actually assuming office. Aoun, who mobilized support beyond the confines of his own community, presented Syria with a particularly severe problem.

The changes in the Soviet Union's position and policies also affected Syria. By 1987, Assad had realized that the changes in the Soviet Union's position and in its policies in the Middle East were bound to have a far-reaching effect on Damascus. The Soviet Union had been Syria's superpower patron and had provided an ill-defined security umbrella. The decline in the Soviet Union's international position and stature, the waning of Soviet-American competition and the improvement in Soviet-Israeli relations all weakened Syria's standing. In November, 1989, this turn of events was given particularly acute expression when the Soviet ambassador to Syria publicly stated that his country took exception to the Syrian doctrine of strategic parity vis-à-vis Israel and recommended instead a doctrine of "defensive sufficiency."

The collapse of several Communist regimes in East Europe in 1989—that of Romania's dictator Nicolae Ceausescu in particular—had a different effect on Syria. It occurred to many in Syria that the spectacle of a collapsing dictatorship could have a contagious effect in a country like Syria.

The end of the Iran-Iraq war in August, 1988, with a slight Iraqi victory was, from Syria's vantage point, yet another adverse development. Iran, Syria's ally, turned inward and Iraq, Syria's bitter rival, acquired the freedom of action to pursue an aggressive regional policy. Iraq's President Saddam Hussein seemed determined to settle accounts with those who had opposed him during the eight-year war. He did not challenge Syria directly but assailed it by extending support to General Aoun and to other foes of Syrian domination in Lebanon. Iraq's alliance with Jordan was another manifestation of

the Syrian–Iraqi rivalry in the Fertile Crescent.

SYRIAN POLICIES IN 1990

The Baath regime formulated two strategies in order to cope with some of these issues. Domestically, Assad took several measures that were designed to release some of the pressure for reform, but they did not actually loosen the regime's grip on the country. These measures included the abrogation of emergency decrees, a change in the composition of the People's Assembly affording greater non-partisan representation, and a promise to convene conferences of the Baath party and the National Progressive Front. The composition of the People's Assembly was indeed changed, and elections were in fact held, in which one-third of the new membership was elected on a freer basis.

Assad himself addressed these issues, albeit in an oblique fashion, in his customary Revolution Day speech delivered on March 8, 1990. Speaking to the fifth congress of the Women's General Federation, Assad extolled his government's achievements in "establishing the constitutional institutions and strengthening the popular committees." The inner core of Assad's regime is concealed by several layers of formal institutions, one of which is the National Progressive Front, the coalition in which the Baath presumably shares power with other political parties. In Assad's version, the National Progressive Front was depicted as "a notable achievement and a unique experiment in the history of our country and the Arab homeland. Third world countries will never know such an experiment. It is not like any popular or party experiment in the world." He admitted that Syria faced many difficulties and said that it was "natural to see difficulties ahead" but took pride in the progress made to date in overcoming these problems.¹

All this did not amount to much by way of political reform and change, but despite a series of reports on increased activity by the opposition (most of them from hostile sources), the political opposition proved to be short-lived and the regime's features and limited concessions proved sufficient.

Externally, Assad's policy was two-pronged: a reconciliation with Egypt and an acceleration of the efforts at a rapprochement with the United States. In December, 1989, Syria reestablished diplomatic relations with Egypt. Relations had been broken by Syria 11 years earlier in response to Egypt's signing the Camp David accords.* Almost all the other Arab states that had also severed relations had since renewed them. Syria persisted and attached par-

ticular importance to the effort to undo the Camp David accords and to prove that its way and not Cairo's was the right path for the Arab world to follow. Syria made a special point of emphasizing that its flag would not be hoisted in Cairo as long as Israel's flag was raised in that city. Against this background, the restoration of Syrian–Egyptian diplomatic relations had an unusual resonance.

From Syria's perspective, mending fences with Cairo served several purposes. The diminishing value of the Soviet alliance prompted Damascus to look elsewhere for support and cooperation. The growing Iraqi threat had a similar effect. Egypt and Iraq were formally allied in the Arab Cooperation Council (ACC) alongside Jordan and Yemen. Egypt maintained its dialogue with Saddam Hussein, seeking (in vain, as it turned out) to restrain him. In this context, it was important for Syria not to be excluded and isolated in inter-Arab relations.

But there was yet another dimension to Syria's new relationship with Egypt: the implied acceptance of Egypt's peace with Israel was also calculated to facilitate Syria's rapprochement with the United States. This was underscored when Assad paid his first visit to Egypt. Assad went to Alexandria rather than to Cairo, and it was suggested at the time that he wished to avoid the city that hosted Israel's embassy. But in fact there is an Israeli consulate in Alexandria. Furthermore, Assad accompanied Egypt's President Hosni Mubarak to Sharm al-Sheik in the Sinai. His willingness to visit the Sinai, which had been recovered from Israel through diplomacy, carried with it a clear political message.

AMERICAN–SYRIAN RELATIONS

Effecting a rapprochement with Washington was a more difficult process. During Assad's 20 years in power, the United States and Syria made several attempts to come to an understanding. They were motivated by mutual esteem between a superpower and a regional power, and ended by the inability to bridge fundamental gaps. The transformation of the Soviet–Syrian relationship, evident as early as 1987, removed one important impediment, but other obstacles remained. The United States and Assad's Syria had very different visions of the region's character and future, and different concepts of the desired settlement of the Arab–Israeli conflict.

Syria's record in the use of terrorism as a political instrument and in lending support to terrorist organizations was another important, often the most visible, impediment. In 1986, the United States had imposed sanctions on Syria after Syrian diplomats were accused of aiding in the planting of a bomb aboard an Israeli airliner at London's Heathrow

*Editor's note: For details on the Camp David accords, see footnote 7 in Alan Dowty's article on Israel in this issue.

¹Radio Damascus, March 3, 1989.

airport, and other directly anti-American incidents. But it was the explosion of a Pan-American jetliner over Lockerbie, Scotland, in December, 1988, that was at the forefront of Washington's disagreement with Damascus. Syria was not accused of actually staging the operation but of harboring Ahmad Jabril and his organization, the Popular Front for the Liberation of Palestine-General Command, which was tied by some evidence to the incident.

Two other issues were on the United States-Syrian agenda, but not necessarily as matters of disagreement. The United States accepted Syria's hegemonic role in Lebanon, but it did not accept all aspects of Syrian policy. The United States also expected Syria to use its influence in Lebanon to bring about the release of American and other Western hostages. (In the aftermath of the Iran-contra affair, the United States did not wish to engage in negotiations over hostages.)** Syria's influence over the Shiite groups holding the hostages is limited, and Assad has not been keen to enter into conflict with these groups or to strain his relations with Iran.

Against this background, a gradual improvement in Syrian-American relations took place during the early months of 1990. Assad's regime took advantage of visits made by several prominent Americans to transmit the message that it wanted better relations with the United States and that it was willing to consider new ideas regarding a settlement with Israel. One such occasion was the visit to Damascus by former United States President Jimmy Carter in March, another the visit by a group of senators headed by Robert Dole (R., Kan.) in April.² Thus on April 10, Radio Damascus informed its listeners that Dole, the Republican minority leader in the Senate, had announced he sensed from his meeting with President Hafez Assad that Syria was determined to achieve a just peace in the Middle East. Two weeks earlier, a similar announcement had been made by former President Carter after his talks with Assad. These two announcements, the first by the leader of the Republican party in the United States Senate and the second by a former American President, should be carefully studied.³

Later in April, Robert Polhill, an American hostage in Lebanon, was released with Syrian help. United States President George Bush called Assad to express his gratitude, but the State Department's spokesman cautioned that "important impediments

to improved United States-Syrian relations remain, particularly the continued presence of terrorist groups in Syria and in Syrian-controlled areas of Lebanon."⁴

THE IRAQI TAKEOVER OF KUWAIT

Iraq's invasion and takeover of Kuwait had a profound effect on all major areas of Syria's foreign policy. On the whole, at least in the short run, the effects were very positive. Politically, Syria joined Egypt and Saudi Arabia in what became the core of the anti-Saddam coalition in the Arab world. Two broad coalitions emerged in inter-Arab relations in the aftermath of the invasion. The larger coalition coalesced around Egypt, Saudi Arabia and Syria and, as the vote showed in a meeting of the Arab League on August 10, it embraced 12 states. The rival, pro-Iraqi coalition numbered 8 states.

Syria also agreed to join the international military coalition that was organized by the United States and its Arab allies to defend Saudi Arabia and, in fact, to threaten Iraq. It took Syria some time, but it finally dispatched some 4,000 troops to Saudi Arabia. Assad also went to Iran in what appeared to be a visit designed primarily to ascertain that Iran did not go too far in its rapprochement with Iraq. In early November, Assad bolstered his forces in Saudi Arabia with the deployment of an armored division of about 10,000 men.

Syria was rewarded handsomely for its support and its contribution. Saudi, Kuwaiti and other financial grants of almost \$2 billion alleviated its economic problems. In September, United States Secretary of State James Baker 3d visited Damascus. Details of his discussions with Assad are not known, and it may very well be that the contentious issues that had been defined five months earlier as "impediments" were raised, but Syrian-American relations had been elevated to an entirely different level.

Syria also took advantage of these developments in order to move in mid-October against General Aoun in Lebanon and to destroy his position. Unlike earlier occasions, Syria did not employ proxies. Syrian troops took part in the attack and—an infringement of the original "red lines" agreed on with Israel in 1976—employed its air force as well.

(Continued on page 38)

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**Editor's note: For further information on the Iran-contra affair, see *Current History*, January, 1987, p. 52ff.

²See *The New York Times*, March 17, 1990, and April 10, 1990.

³Radio Damascus, April 10, 1990.

⁴Report from the U.S. State Department, April 24, 1990.

BOOK REVIEWS

ON THE MIDDLE EAST

THE IRAN-IRAQ WAR: IMPACT AND IMPLICATIONS. *Edited by Efraim Karsh.* (New York: St. Martin's Press, 1990. 295 pages, bibliography and index, \$49.95.)

The Iran-Iraq War: Impact and Implications evaluates the eight-year war between Iran and Iraq; in the process it provides significant background to the current Persian Gulf crisis. Although the focus is on Iran, Iraq and other major actors like the United States, the Soviet Union and Israel, the question of Kuwait seems to hang on every page.

The editor, Efraim Karsh, lays responsibility for the war's onset and persistence squarely on Iran's attempt to extend the Islamic revolution beyond its border. For Iraq, he says, this presented "the combination of an extremely menacing ideology and military vulnerability," leading Iraq's leader, Saddam Hussein, to undertake an "offensive move motivated by a defensive strategy." In the end he succeeded. The war shocked Iran's leaders into abandoning their attempt to export revolution and led them to accept the regional status quo.

For Iraq it was a costly victory. The war neither ended the dispute with Iran nor taught Saddam the futility of using "armed forces as a means of settling interstate conflicts." Yet, as Charles Tripp writes, the war permitted Saddam to reinforce his autocracy and the mechanisms through which an effective war could be sustained. He also built a political machine that was dependent on having the people (rather than the bureaucracy or political elites) support a supreme leader in order to save Iraq from invasion. Saddam evidently needed another military campaign to justify this political structure when the war with Iran was over. Although Tripp's discussion focuses only on the effects of the war on internal Iraqi politics and does not venture to guess at Saddam's external intentions, this implication, in retrospect, seems clear.

This immediate conflagration may have ended, but not so the conflict between Iraq, Iran and their neighbors, as seen in the articles by David Menashri on Iran, Itamar Rabinovich on the impact of the war on the Arab world, Barry Rubin on the Gulf states and Joseph Alpher on Israel. The conclusions in the collection make the Iraqi invasion of Kuwait no more predictable, but no more surprising either.

Debra E. Soled

EGYPT AND THE ARABS: FOREIGN POLICY AND THE SEARCH FOR NATIONAL IDENTITY. *By Joseph P. Lorenz.* (Boulder, Col.: Westview Press, 1990. 130 pages, appendices, notes, bibliography and index, \$34.95.)

Beginning with a historical overview of Egyptian foreign relations, this study explores Egypt's place among nations, especially those in the Arab world. Egypt's geographic location and its great civilization before the long period of foreign rule have pulled it in many different directions ideologically. Its Mediterranean location opened it to influence from the West, yet its heart is firmly rooted in the Arab and Muslim community. Thus the various attractions of Egyptian nationalism, pan-Arabism (with Egypt as the leader) and Islam.

As the chapters on Presidents Gamal Abdel Nasser and Anwar Sadat show, however, ideology had less to do with the direction of Egypt's post-independence foreign policy than the personalities of these two powerful leaders. Despite Egypt's early expertise in creating bureaucracy, both men acted independent of their institutionalized government when designing their foreign policies—whether it was Nasser's attempts to create Arab federations or Sadat's momentous decision to speak before the Israeli Knesset.

Most of the text is devoted to a close examination of Egypt's role in the peace process since 1967, primarily the road to the Camp David accords and the effect the accords have had on Egypt's relations with other Arab countries. With the passage of time, it is striking how little the issues dividing Egypt and Israel have changed. What has changed is the nature of Egypt's leadership. Nasser and Sadat saw themselves as history makers and acted boldly. Their successor, Hosni Mubarak, is less charismatic, less ideological and, in the final analysis, more capable of mending fences with all sides because of his pragmatism. For Lorenz, Mubarak embodies the eclipse of ideology in Egypt. Whether this decline in ideology has been a regional phenomenon, as he suggests, remains to be seen.

D.E.S.

SADDAM HUSSEIN AND THE CRISIS IN THE GULF. *By Judith Miller and Laurie Mylroie.* (New York: Times Books, 1990. 268 pages, maps and appendix, \$5.95, paper.)

Saddam Hussein and the Crisis in the Gulf is a so-called instant book—and it reads like one. Writ-

ten by a respected *New York Times* reporter and a Harvard Middle East specialist, *Saddam* attempts to provide a quick, easily digested description and analysis of contemporary Iraq. Overall, the authors succeed, with chapters on Saddam's rise to power and his dictatorial reign, the evolution of Baathism in Iraq, the conduct of the Iran-Iraq war and, most significant, the events that led to the invasion of Kuwait.

The authors provide a critical review of how the United States reacted to Iraq's bellicose statements and the buildup of Iraqi troops along the Kuwaiti border in the days preceding the invasion; they note that on the day it was reported that there were 100,000 Iraqi troops massed on the border, the United States ambassador to Iraq left for vacation.

The book ends with a discussion of the deployment of American troops to the Persian Gulf and an analysis of the reasons that have been given for the deployment. Miller and Myroie are pessimistic about the chances for a peaceful solution to the crisis and bluntly conclude that American involvement is an example of "imperial overstretch"—another attempt by the United States to take on the role of international policeman.

William W. Finan Jr.

REPUBLIC OF FEAR: THE INSIDE STORY OF SADDAM'S IRAQ. By Samir al-Khalil. (New York: Pantheon Books, 1990. 310 pages, notes, appendix and index, \$12.95, paper.)

When Samir al-Khalil (a pseudonym) first tried to publish *Republic of Fear* in 1989, he received 60 rejection slips. It was finally accepted by the University of California Press, and events in the Persian Gulf have led to its paperback publication and availability to a wide audience.

Republic of Fear deserves the audience. Using Saddam's speeches, Baath party documents, government newspaper and radio reports, and a wide variety of secondary sources, Khalil details how Saddam has constructed a police state in Iraq. The ways in which the state has institutionalized violence are examined, as is Saddam's use of violence to cement his position as the country's maximum leader.

W.W.F.

A POLITICAL ECONOMY OF THE MIDDLE EAST: STATE, CLASS AND ECONOMIC DEVELOPMENT. By Alan Richards and John Waterbury. (Boulder, Col.: Westview Press, 1990. 439 pages, references and index, \$56.00.)

The focus of this work by two eminent Middle East specialists is clearly stated: it is not a study of the great game perpetrated by regional and great powers using military might, but of what the

authors call the "quiet game" of political and economic development. The study offers a broad overview of population, resources, education, agriculture, income distribution and political institutions, among other topics.

The authors find that economic development has proceeded in the Middle East, even though most Middle East countries are still properly classified as third world countries and are roiled by violence and destruction. In fact, one argument posits that the conflict has promoted political development (a perspective that the authors do not share). This rich work should form the centerpiece for future study of the economic development of the Middle East.

D.E.S.

MISCELLANEOUS

THE ANATOMY OF TERRORISM. By David E. Long. (New York: The Free Press, 1990. 164 pages, appendix, notes, bibliography and index, \$22.95.)

The popular conceptions of terrorism and terrorists consign the former to purposeless violence and the latter to madness. David Long's analysis of the foundations of terrorism, its perpetrators, its victims and ways to cope with it argue against these views.

According to Long, the objective of terrorism is intimidation—not simply for sadistic gratification, but as a means to an end, be it to assert national or ethnic identity, or to promote a political or religious doctrine. This end is perceived by terrorists as justifying any means used to reach it.

Long analyzes the different kinds of terrorist groups, and also looks at the strategies and tactics of terrorists and support for terrorism. He points his finger nearly everywhere when he discusses this last issue: some of the support is active (state support by Libya, Iraq, Syria) and some is passive. Passive support, according to Long, is given when countries turn a blind eye to terrorists moving through their territory in the mistaken belief that this will afford protection from terrorist acts within their borders or against their citizens; he also uses the term to describe groups that eschew violence but broadly support the aims of the terrorist groups. Long saves his sharpest remarks for the media, who—in the name of the public's "right to know"—inadvertently contribute to terrorists' ability to intimidate by giving their acts wide exposure.

Long looks to international cooperation as one of the keys to combatting international terrorism. He is ultimately pessimistic about the prospect for eradicating terrorism, arguing that the real answer to its elimination lies in long-term political and economic change.

D.E.S. ■

ISRAEL

(Continued from page 17)

States, United States Secretary of State James Baker 3d had already served notice that proposals for a "Greater Israel" should be discarded, and that the United States would expect the cooperation of the Shamir government in carrying out what had begun as the Shamir initiative.** While the collapse of the national unity government in March put all this on hold for a while, the administration of United States President George Bush had let it be known in many ways that the United States State Department expected the diplomatic process to move forward once a new Israeli government was formed, be it a government of the left or the right.

But Saddam Hussein took the heat off for the foreseeable future. So long as the crisis in the Gulf was playing itself out, United States diplomacy could not focus for any length of time on other Middle East problems. In addition, the pro-Iraqi stance taken by PLO leaders further distanced them from Washington; the United States-PLO dialogue had been broken off anyway in June, after the failure of Arafat and the official PLO leadership to dissociate themselves convincingly from the perpetrators of a failed attack on Israeli beaches near Tel Aviv in May, 1990. The crisis aggravated the PLO's problems by splitting it between a membership largely sympathetic to Saddam and sources of funding that are largely dependent on the governments of the Gulf area threatened (and in Kuwait's case, dispossessed) by that same man. From the perspective of a Likud government to which any PLO problem is a blessing, this was also welcomed.

In addition, while Israel was ordered to keep a very low profile in the Gulf crisis, events there inevitably strengthened the hands of those who stress Israel's strategic value to Western interests in the region. The value of pre-positioning military supplies, the calls for strategic coordination and the impetus behind programs like the joint development of the Arrow antitactical ballistic missile were all reinforced. Years of claims about the extent of Israel's security needs, the likelihood of unprovoked attacks and the wisdom of preventive measures like the bombing of Iraq's nuclear reactor near Baghdad in 1981 (condemned by the United States government at the time) stood to be vindicated.

On the other hand, Iraq had put together a standing army roughly twice the size of Israel's

**Editor's note: Baker proposed a five-point plan that calls for: a comprehensive settlement based on UN resolutions 242 and 338; direct negotiations; a transitional period between negotiation and the final settlement; neither permanent Israel control of the territories nor an independent Palestinian state; and self-government for Palestinians in the West Bank and Gaza.

totally mobilized forces, and it possessed large stockpiles of chemical weapons and missiles capable of reaching any part of Israel. The fear that Iraq would convert the crisis into an Arab-Israeli confrontation, even without a retreat from Kuwait, was reinforced by Saddam Hussein's transparent efforts to do exactly that, by linking the two conflicts. In threatening to move against any Iraqi presence in Jordan, Israel also essentially gave Hussein an option to ignite an Arab-Israeli confrontation at a moment of his choosing. It was assumed that Saddam, though clearly willing to run large risks, would shrink from setting off a two-front war that he would almost certainly lose. But the fears in Israel remained, as seen in widespread apprehension about the risk of chemical warfare and public demands (to which the government ultimately acceded) that gas masks be distributed free to the entire Israeli population.

However, a greater concern for Israelis is the possibility that Iraq will successfully extricate itself from Kuwait with its government and armed forces still intact. In this case, the specter of a wounded but still powerful Iraq, looking for a cause with which to rally the Arab world to its side the next time around, is taken very seriously. It has even led knowledgeable Israelis to speculate that, under such circumstances, Israel would be forced to unveil its nuclear deterrent in order to neutralize—publicly and effectively—the weapons of mass destruction in Iraqi hands. The Iraqis might also acquire their own nuclear weapons, despite the best efforts of "unilateral arms control" carried out by hostile states. A nuclearized Middle East is not a prospect that most Israelis view with equanimity, which is why Israel has kept its own nuclear capabilities in the basement and has proposed a broad regional nonproliferation pact with effective enforcement (not to be confused with the Nuclear Nonproliferation Treaty to which Iraq and most other states already subscribe).

Even if Iraq is humbled, Israelis have to consider the long-term implications of the new United States military and political relationship with Arab countries, as expressed in the proposed massive arms sale to Saudi Arabia. Apart from the threat this might pose to the "qualitative edge" that Israel seeks to maintain, the feedback of such close cooperation into United States Middle East policy is cause for concern. Foreign Minister Levy visited Washington in September, 1990, in order to seek reassurances that arms shipments to Arab countries would be matched by an upgrading of future military aid to Israel.

Finally, the Gulf crisis dealt a harsh blow to dovish opinion in Israel among those seeking to promote a dialogue with Palestinians and with the

PLO itself. In the last few years, this body of opinion had drawn encouragement from Arafat's apparent recognition of Israel's right to exist and his denunciation of terrorism in December, 1988. While most Israelis considered these statements insufficient to qualify Arafat as a negotiating partner, a small majority in various surveys indicated willingness in principle to negotiate with a peaceful PLO. Some had drawn back because of incidents like the May, 1990, beach attack, but there was a widespread perception that the gap was, indeed, beginning to narrow. The fervent support given by Palestinians to the "military solution" espoused by Saddam Hussein has led, however, to a declaration of disillusionment by many on the Israeli left who had promoted the idea of dialogue.

When the dust from the Gulf crisis settles, there will be a fresh start in Arab-Israeli diplomacy. It is not clear how far the entire process will have been set back by events in the Gulf and from what point it will have to make this start. ■

ISLAM'S NEW FACE

(Continued from page 28)

regime was prepared to stop the Islamic revolution in Iran. Baghdad also had a long record of persecuting fundamentalists and executing their leaders, particularly those from the country's majority Shiite community. But many Islamists were attracted by the Iraqi leader's position on three issues: a Palestinian homeland as a precondition to ending the Gulf crisis; the "injustice" of Arab oil being provided to the West on a preferential basis while poorer Arab nations were suffering from enormous debts, rising unemployment and economic stagnation; and the intervention of foreign forces.

The anguish felt by Muslims over the sight of an Islamic nation—Saudi Arabia—depending on foreign forces to defend itself against a brethren state became a main source of debate. The Western intervention struck deep into the soul of the Islamic world, renewing fears of recolonization and ending the fledgling attempts to restore Muslim and Arab dignity through an Islamic revival. The conflicting points of view were played out at Friday prayer sermons throughout the Middle East.

In Amman, where Iraq already had strong support among frustrated Jordanians and Palestinians,

⁹Nora Boustany, "A Fiery Warning to Americans, A Plea to Saddam," *Washington Post*, August 26, 1990.

¹⁰William Claiborne, "'Allah Will Bring Vengeance,' Iraqi President Told," *Washington Post*, August 26, 1990.

¹¹Jaber interview, op. cit.

¹²Ahmed Fakr, interview with author, Cairo, May, 1990.

¹³Youssef M. Ibrahim, "Militant Muslims Grow Stronger as Algeria's Economy Weakens," *The New York Times*, July 25, 1990.

Sheik Abdel Moneim Abu Zant gave a fiery sermon in August lambasting the United States and other Western countries. "They only believe in materialism. Oil has now become the property of God," he told an overflowing crowd of worshippers. "So what will you do with the will of God, Mr. Bush? You cannot exercise your veto against the words of God." Sheik Abu Zant also referred to the United States leader as "empty-headed, pork-eating President Bush" and predicted that he would leave the White House "as a cripple in a wheelchair."⁹ Many leading members of the Muslim Brotherhood in Jordan, which has been supported and financed by Saudi Arabia, eventually rallied to Iraq's side.

In contrast, on the same Friday in Cairo, Sheik Ibrahim Galhoum told worshippers:

I call on all Muslims to stand by the dishonored Kuwaitis. Were the struggle between Iraq and an infidel country, we would hope Iraq would be victorious. . . . But in this case, what can I ask of God? I cannot pray that the Iraqis will be victorious over Muslims, so what I pray for is Saddam's senses to come back to him.¹⁰

Most analysts predicted that the debate would continue as long as the confrontation remained a standoff. But the prospect of a full-scale military clash between Iraq and the multinational force assembled in the Gulf sparked fears that even moderate Islamists might end up condemning the West.

CONTINUED ACTIVISM

Analysts in the region seemed to agree that Islamic activism will be a major feature of regional politics into the twenty-first century. "In the next two to three decades, Islam is the new wave of the future," predicted Abu Jaber, the Jordanian political analyst.¹¹ "As long as we are suffering economically and politically in the third world, God will be the solution," added Egyptian analyst Ahmed Fakr.¹² "For the next five years there is no alternative to the fundamentalist movement in Algeria," commented Ammar Ben Hemmer, editorial writer for the FLN's paper. "The only thing we have to do is make sure that Islam does not turn to fundamentalist militancy because in this country Islam has always been a tolerant religion."¹³

Others suggested that religious activism is only a phase in the historic transition to a new era. Said Saad Eddin Ibrahim, a sociologist at the American University of Cairo:

While Islamic activism will be on the rise for the next ten years, until the democratization process is completed, even now I think the extreme fanatic, violent wing is subsiding. The early results show that even

when Islamic activists gain power and in fact exercise it, they will not necessarily fare much better than the liberals before them, or the socialists before them or the nationalists before them. They will make their mistakes. Maybe they will achieve something in the beginning just by the force of their enthusiasm and dedication, but there is always a limit for achieving [with only] that kind of dedication or devotion.¹⁴

At present, however, Islam has proved to be a dynamic and energetic force at a time when the world is awash with new political formulations. From India's Kashmir to the Soviet Union's Asian republics, Islam has become an increasingly important political idiom. ■

¹⁴Saad Eddin Ibrahim, interview with author, Cairo, May, 1990.

IRAN'S NEW COURSE

(Continued from page 24)

could not accept this demand and survive politically. He made it clear to the United States and European governments that success for his policy required them to put pressure on Saddam to drop this demand. The administration of United States President George Bush, which at that time was more interested in maintaining close ties with Saddam, rejected even this modest request.

However, Saddam Hussein was apparently looking at other options that offered a more direct path to his goal. In 1989, many months before the invasion of Kuwait, Kuwait emerged as an early target. Pressure was applied on Kuwait in 1989 to halt the policy of overproducing oil and to forgive Iraq's wartime debt. In early 1990, as Saddam's efforts to obtain a nuclear triggering device from an American manufacturer were being disclosed, Saddam issued his now famous threat to attack Israel using missiles with chemical warheads. The excited response to this warning, especially from Palestinians but also from Arab nationalists everywhere, may have surprised Saddam. It certainly suggested that many parts of the Arab world might recognize him as the first real hope for the satisfaction of Arab and Muslim grievances against Israel and against the major imperial powers.

When Saddam invaded Kuwait, the immediate Iranian response mirrored that of progressive Arab regimes. Iran quickly denounced the invasion and accepted the United Nations call for an embargo of the Iraqi regime. But there was caution as well. The prospect of a large American military force in Saudi Arabia, the guardian state of Mecca and the repository of the world's largest oil reserves, was anything but appealing. For three years Iranian

spokesmen had been referring to the brand of Islam that Saudi Arabia espoused as "American Islam." There was never any question in the Iranian press regarding American intentions. The United States was using this opportunity not only to gain a permanent stranglehold on oil production, but also to exercise far more direct control over Islam by using leaders who were followers of "American Islam."¹⁷

Furthermore, the Iranian government could not overlook the popular response in the Arab world to the invasion. Before the development of the Gulf crisis, the attitude of secular Muslims to resurgent Islamic political movements had paralleled the situation in Iran at the time of the revolution. Should Islamic republics appear in the Arab world, the polarization that characterized postrevolutionary Iran might develop among Arabs. But Saddam's action brought into the streets both Arab nationalists and Islamic political activists. Seeing themselves as the center of the world Islamic movement, the Iranian leaders had no alternative to supporting this populism in the Arab world.

Khomeini's deepest wish had been that the Islamic ummah would act together to establish the good society. But after a decade, Khomeini had failed to convince many in the majority Sunni community that he spoke for more than the Shia. Arabs, many of whom initially had looked with hope on the Iranian revolution, had concluded that the Islamic republic was more Iranian than Muslim.

Ayatollah Khamenei responded by calling for resistance to the American and allied presence in the Gulf. His statement was widely welcomed, and in September, 1990, a delegation of Muslim leaders, including many who were potential political leaders in their countries, went to Amman, Baghdad, Riyadh and Teheran to explore an Islamic role in settling the crisis. At the beginning of the crisis, President Rafsanjani had appeared ready at least to explore implicit cooperation with the multinational forces in the Gulf. But by September, Iran was beginning to play a significant role in rallying the forces of world Islam to play a major role in producing an outcome that would lead to an Iraqi withdrawal from Kuwait and to the exclusion of Western forces from the area. Iranian parliamentary statements unanimously supported such an outcome. Rafsanjani's freedom of action seemed to have been sharply constricted. Reports that Iran had agreed to send Iraq badly needed food and medicines in return for shipments of Iraqi oil were only one indication of the Iranian move away from the United States position on Iraq.

THE GULF CRISIS

The Gulf crisis may well lead to shifts in Iran's domestic and foreign policy. Given the damage

¹⁷See *Jamhuriyeh Islam* in FBIS, *Near East Service*, October 3, 1990, p. 54.

Iran sustained in the long war with Iraq and its severe economic difficulties, Rafsanjani needed a prolonged period in which he could put a reconstruction program into effect. He showed no real interest in the pursuit of Khomeini's messianic goals, and he appeared to want to limit his attachment to these goals to the rhetorical level. But he received little help from the outside. The Salman Rushdie case generated deep hostility within the regime toward the British and other European governments. The refusal of these states and the United States to make any real effort to pressure Saddam Hussein into concluding a peace treaty with Iran added to Rafsanjani's difficulty.

The Iraqi invasion of Kuwait may have destroyed any possibility of success for Rafsanjani's policy in the near future. Cooperation with a multinational force that appears to many Iranians to be an American operation would threaten the legitimacy of Rafsanjani's government. However, the invasion also creates new opportunities for Iran. When the Muslim leaders visited Teheran, Rachid Ghanouchi of Tunisia referred to Iran as the model for other Muslims.⁸ Such praise from a leading Sunni leader in the Arab world means that Iran has the opportunity to exercise leadership at a totally unexpected level. As a result of the Gulf crisis, the Iranian government has gained a much improved bargaining position. Whether Rafsanjani can take advantage of this improved position depends on his willingness to alter fundamentally his foreign policy direction. ■

⁸The delegation praised Iran especially for its support. *Jordan Times*, October 2, 1990, in FBIS, *Near East Service*, pp. 1-3.

THE PALESTINIANS

(Continued from page 20)

While there has probably been an erosion in support of the Palestinians in American public opinion, some skepticism is in order about the long-term impact of this erosion. The trends revealed in the Foreign Policy Association's 1990 poll, taken before the Gulf crisis, are extremely favorable to the Palestinians, with an absolute majority of the more than 5,000 respondents favoring a Palestinian state.⁷ These are clearly long-term trends, and appear, moreover, to have been reinforced by the strong reaction to the October killing of 21 Palestinians at the Temple Mount in Jerusalem.

⁷The Foreign Policy Association's "National Opinion Ballot Report," issued in September, 1990, found that out of 5,006 responses, 58 percent favored a Palestinian state as a solution to the Palestinian question, as against 32 percent for various forms of autonomy and 4 percent for Israeli annexation of the occupied territories.

⁸See Youssef M. Ibrahim, "The Saudis' Quandary: To Persuade the Iraqis to Leave Kuwait, Is the Carrot or the Stick To Be Preferred?" *The New York Times*, October 24, 1990, p. A1.

As for Israel, the very sharp negative reaction among many Israelis to the pro-Iraqi demonstrations in the occupied territories would appear to be a setback for the Palestinians especially since some critics were Israeli doves. The condemnation by Palestinian leaders in these territories of Iraq's occupation and annexation of Kuwait two weeks after the invasion took place was ignored by many Israelis and did not alter the impression that the Palestinians stood firmly behind Iraq, including the threats by Iraqi President Saddam Hussein to use chemical weapons against Israel if Israel struck Iraq first.

LINKAGE

A final issue concerns the possibility of linking the Gulf crisis to the Palestinian-Israeli conflict. The heightened world interest in the region has certainly brought more attention to the Palestinians, as was seen by the strong international outcry over the Temple Mount incident. Had international attention not been on the Gulf and on an international role in resolving that crisis, the United Nations might have failed again to take action against Israel.

But more interesting than the international response to this crisis is the Arab world's response to the Palestinians as a result of the crisis. The speed of the United States response to the occupation of Kuwait, where its interests were involved, has been contrasted most unfavorably in the Arab world to its failure to respond vigorously to more than 23 years of Israeli occupation. Serious misgivings have begun to surface along these lines even in Egypt and Saudi Arabia, the pillars of the American alliance against Iraq.

Such misgivings were present in Saudi Arabia early in the crisis, but were ignored by most of the American media until many weeks later. Only at the end of October did *The New York Times* report that Saudi leaders had "second thoughts" about their confrontational attitude toward the PLO. The article noted that "what has become known as linkage is alive and well in many a Saudi mind"—a reference to the linkage that is stressed by many observers in the Arab world between Israeli occupation of Palestinian land and Iraq's occupation of Kuwait.⁸

The existence of such sentiments in influential circles in Saudi Arabia is a sign that they are nearly universal in the Arab world; whether the Gulf crisis ends in war or in compromise, the Arab world will hold the United States to a much stricter standard than ever before with regard to Palestinian rights. A conflict that initially appeared to have mainly negative consequences for the Palestinians and the PLO may create pressure toward a peaceful resolution of their conflict with Israel. ■

SAUDI ARABIA

(Continued from page 13)

found mainly in Iraq and in the Palestinian community. But the Iraqi threat to Saudi Arabia is primarily military, not political or ideological.

The threat of Palestinian subversion against the Saudi regime is currently low; most Saudis have rallied around their King in response to the Iraqi threat, and Palestinians working in Saudi Arabia are carefully watched. The threat could increase, however, depending on the outcome of the Kuwait crisis. The PLO is discredited in Saudi eyes for siding with Saddam; nonetheless, some of the more radical Palestinian groups that never received Saudi financial support in the first place could try to foment instability through subversion and terrorist activities.

The Islamic influence on Saudi economic foreign policy perceptions can be graphically seen in Saudi Arabia's foreign aid priorities: first to Arab states, second to non-Arab Islamic states and third to non-Arab, non-Islamic states facing a Communist threat. Saudi aid priorities thus vary significantly from foreign aid priorities that are based on more secular political interests and economic needs.

Saudi Arabia's national security policy is influenced primarily by history and environment. From the isolation of their desert heartland and centuries of warfare with their immediate neighbors, the Saudis have developed a strong sense of "encirclement" by enemies. The names of the enemies change over time, but the encirclement syndrome remains. In the 1960's, Egypt's Gamal Abdel Nasser was a major antagonist; in the 1970's, Israel, which labored to undermine Saudi-American relations based on oil, overshadowed the others; in the 1980's, Iran was the primary threat; and in 1990, Iraq became the primary threat when it invaded Kuwait.

Israel will continue to be viewed as a major security threat until an Arab-Israeli settlement can be reached; and regardless of any improvement in relations with Iran (now that Ayatollah Khomeini has passed from the scene), Saudi-Iranian relations will never be truly cordial. Deep-seated Arab-Persian rivalry ensures that Saudi-Iranian competition will not disappear.

The degree to which Iraq remains a national security threat to Saudi Arabia depends on the outcome of the Kuwait crisis and the longevity of the Iraqi regime. Saddam Hussein has proved himself to be a potential foe regardless of mutual interests, and Iraq's large standing army and chemical and potential nuclear warfare capabilities will continue to be a threat no matter who is in power in Baghdad.

Saudis also see themselves encircled by world communism, and while their strident anti-communism is not likely to change in the 1990's, their relations with Communist states will change. With the end of the cold war and the likely advent of a younger generation of Saudi leaders who are frustrated by what they see as patronizing American attitudes and the uncompromisingly pro-Israeli policies of the United States, closer ties with Communist nations are likely.

In sum, barring a major calamity, including a worst-case scenario in the Kuwait crisis, the chances for continued stability in Saudi Arabia appear to be good. Moreover, there is reason to believe that basic political, economic and defense policy patterns will remain constant.

Changes are taking place, however; most notably, the desert kingdom is maturing into a major regional political actor and an international oil power and its people are becoming more sophisticated because of modern communications, transportation and education. These changes are likely to be felt first in the area of public policy. Rapid economic and social change does not yet appear to have greatly affected basic conservative Saudi social values, nor has change threatened the cohesion of Saudi society; this has enabled Saudi Arabia to maintain its political stability in a region marked by chaos. ■

SYRIA IN 1990

(Continued from page 31)

Syria's successful offensive against General Aoun was clearly facilitated by the turn of events in the Gulf crisis. The general's original rebellion against Syria in 1988-1989 was supported by Iraq, which provided him with weapons, financial aid and military support. Iraq was unable to help him in October, 1990. Syria's reluctance to engage directly in an attack against the Christian enclave had been nourished by a sense that it would not be acceptable, in different ways and for different reasons, to the United States, France and Israel. It correctly calculated that, in the circumstances obtaining in the region in the fall of 1990, it possessed greater freedom of action in Lebanon, and it took full advantage of the situation.

A few days later, Dany Chamoun, the son of the late President Camille Chamoun, and his family were assassinated in their home in Beirut. There is no evidence to link Syria to the assassination, but it took place against the background of Aoun's fall and reinforced the feeling that those opposed to Syria and representing the prospect (dim though it might have been) of independent Lebanese power were being eliminated. The policy of gradual but persistent extension of Syrian hegemony into

Lebanon was once again being implemented.

Syria's role in the anti-Iraq coalition that crystallized in August, 1990, was motivated primarily by the active rivalry between the two Baath regimes and their leaders. Iraq's return to the Arab arena after the end of the Iran-Iraq war had an adverse effect on Syria's standing, and Assad saw a successful Iraqi outcome of the Gulf crisis as a direct threat to his own rule in Syria. And yet there was more than a measure of ambiguity in Syria's participation in the anti-Iraq coalition.

The alliance also encountered some opposition inside Syria. Some newspaper reports about the opposition's activity inside Syria—demonstrations and the distribution of leaflets—may have been fed by Iraqi or other hostile sources. But other reports seem to have been well founded. There is no coherent and organized opposition to Assad's regime in Syria, but the underlying diffuse opposition to the regime has not died out, and it apparently fed on the awkwardness of the new policy. This was made evident by the speech Assad delivered on September 12 during the graduation of the fifth class of military paratroopers. It was Assad's first major public pronouncement on the Gulf crisis since its outbreak, and it had a clearly apologetic tone. Assad began by assailing the actions of Saddam Hussein. The occupation of Kuwait was, he said, a blow to inter-Arab relations and to the Arab cause. It resulted in the squandering of Arab resources, in pushing the Palestinian issue to the sidelines and in the dispatching of foreign troops to Arab soil. He then addressed those in Syria who were critical of his government's policies:

I am referring to some people, knowing that many who fall into this mistake and avoid the true dimensions of the problem are innocent people whose opinions are governed by knowledge and experience that may not be sufficient for fair judgment.

Later in the speech, Assad directly addressed a question that was being asked in Syria:

There are those who wonder—within the framework of a delusion or within the framework of erroneous thinking—they wonder how Arab forces can be present on Saudi Arabian territories while foreign troops are there. Imagine this fallacy. . . .

It was primarily under the impact of these pressures and considerations that Syria adopted an ambiguous posture toward Iraq and toward the coalition of which it was an important member. The ambiguity was enhanced in October, when Syria's media resumed their criticism of United States policies in the Middle East. Nor is the ambiguity likely to diminish as long as uncertainty continues with regard to the outcome of the Gulf crisis. ■

IRAQ'S UNCERTAIN FUTURE

(Continued from page 4)

an enormous outpouring of support from the Arab world, long frustrated by its inability to deal with Israel and unhappy over the long-standing military imbalance in the Middle East. Although most Arabs had no illusions about Saddam's ruthlessness, this speech made him an instant hero for "standing up to Israel."

The response opened new vistas for Saddam. Cautiously, he began to assume the mantle of the new Arab champion against Israel and Western imperialism. Expanding on his April 2 speech, he extended Iraq's military deterrence to all Arab states who asked for it. He lashed out at the continuing United States presence in the Gulf, attacked Soviet Jewish immigration to Israel and advocated the withdrawal of Arab investment funds from the United States and their diversion to the Soviet Union.⁸ Meanwhile, he encouraged the Palestine Liberation Organization (PLO) to look to Baghdad for support. By the time of the Arab League summit in Baghdad in May, Saddam had used his championship of causes popular with the Arab masses to develop a broader base of support in the Arab world. In retrospect, the base was far softer than he perceived it, but it buoyed his confidence.

A CONSPIRACY THEORY

These external events were coupled with domestic developments that played an even greater role in the Kuwait debacle. One factor was Saddam's view of the world. While his deepest thoughts cannot be known, his speeches—and those of key ministers connected with the crisis—indicate the growing influence of a multifaceted conspiracy theory. The theory illustrates Iraq's isolation and the garrison mentality of its leaders. This ideological construct emerged in 1986, in the wake of the Irangate revelations, when Iraqi suspicion of the West was high.**

In the last half of the 1970's, according to the theory, Iraq emerged as a strong Arab power challenging Egypt and the Camp David accords.† Ayatollah Ruhollah Khomeini's rise to power in Iran,

**Editor's note: The term "Irangate" refers to the Iran-contra affair, which revealed in 1986 that officials in the administration of President Ronald Reagan had made secret contacts with Iran to offer to ship arms to Iran in exchange for releasing American hostages in Lebanon. See *Current History*, January, 1987, p. 52ff.

†The Camp David accords were signed by United States President Jimmy Carter, Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat at Camp David, Maryland, in 1978. The accords established a framework that was to lead to the "full autonomy" of the Arab inhabitants of the West Bank and Gaza Strip after a five-year transitional period.

⁸Speech by Saddam Hussein to the ACC meeting, February, 1990, cited in "The Kuwaiti Question," White Paper by Iraq's foreign minister, Baghdad, September 4, 1990.

his attempt to overthrow the Iraqi regime and the subsequent war with Iran were seen as a Western-supported means to thwart Iraq's power. The effort, which took eight years and cost Iraq dearly, failed. Iran lost the war and Iraq emerged victorious, an outcome Israel and its allies in the West had failed to anticipate.

The West then turned to other means. A campaign was initiated in the Western press to malign Iraq for its human rights record, for its use of chemical weapons and for its treatment of the Kurds. More important, however, was the West's attempt to thwart Iraq's postwar recovery, to squeeze its economy through financial restrictions and to prevent its military development by curtailing technology transfers.⁹ The fall in oil prices was blamed on the manipulation of the market by the West and its regional partners, Kuwait and the UAE, an act that Iraq equated with a declaration of war.¹⁰ In the insular atmosphere of Baghdad, this theory, elaborated by academics and party spokesmen, took root and grew, making accurate assessments of the international environment impossible and making "signals" intended to generate a modification in Iraq's behavior bound to fail.

Saddam's growing monopoly of power was the final factor that led to his miscalculation. Since the establishment of the current Baath regime in 1968, Iraq has been under the rule of an authoritarian dictatorship that brooked no dissent. In the first decade of the regime, however, Saddam Hussein governed in tandem with others. His partner, President Ahmad Hassan al-Bakr, a former army officer with strong ties to the military, kept Saddam's proclivity for risk-taking in check. In these early years, the party hierarchy also played a greater role in decision making.

These trends were reversed in 1979, when Bakr was eased out of the presidency and Saddam assumed the position himself. At the same time, he executed 22 members of the party hierarchy, including five close associates, all accused of a plot against the regime, for which the evidence still remains obscure. This act ushered in a decade of totalitarianism.

In the course of the war, more power gravitated into Saddam's hands as he downgraded the party, promoted younger technocrats to the Presidential Palace and relied increasingly on members of his own family to staff key security, intelligence and military posts. Critical security posts were occupied by his half brothers and later by cousins from the

related Majid clan. Beyond these appointments, Saddam relied on a widening circle of Tikritis (family associates and unrelated cohorts from Saddam's hometown of Tikrit). By the beginning of 1990, Saddam had eliminated virtually all associates sufficiently independent to give him advice he did not want to hear. The last person who might have filled that role was his cousin and brother-in-law, Minister of Defense Adnan Khair Allah, who was killed in a helicopter crash in May, 1989.¹¹

Meanwhile, a personality cult of monumental proportions took shape in Baghdad under the careful cultivation of Saddam's minister of information and culture, Latif Nsayyif Jassim. Larger-than-life posters of Saddam graced every province; thousands of schoolchildren memorialized him on his birthday; obligatory tableside photos of him were to be found in the homes of Baghdad officials; and a law was passed that made insulting the President an offense punishable by prison or worse. Systematic adulation eventually took its toll, distancing Saddam Hussein further and further from political reality.

Monolithic power domestically was compounded by international isolation. Saddam himself has spent little time abroad. He lived in Cairo for several years as a student in the early 1960's and has visited Paris and the Soviet Union once or twice. And the war also made it impossible for much of Iraq's professional class to travel. Those who had considerable first-hand knowledge of the West either were not trusted or were removed from the inner circle. As a result, Saddam's understanding of the West—even of the Arab world—and its likely reactions to events was seriously flawed.

THE MARCH INTO KUWAIT

Given Saddam's increased confidence and his mounting problems with Kuwait, there is little doubt that he intended to apply increased military pressure on Kuwait. Just when the decision was made to invade Kuwait and remove its leadership if intimidation failed is still not clear, but it may have been rather late in the game. Tensions with Kuwait had been building for some time, but until the late spring of 1990, they had been contained. The issue of the boundary settlement and the islands had been simmering since the failure to solve it in February, 1989. Meanwhile, Iraq had raised another "border" issue, that of the Rumailah oil field, part of which extends across the Kuwaiti border. Iraq demanded ownership of the entire field and claimed that the Kuwaitis had been pumping oil from the field and selling it abroad while Iraq had been fighting Iran. Iraq submitted a bill for more than \$2 billion for the lost oil revenue and demanded rectification of the northern Kuwaiti frontier.

⁹The conspiracy has been laid out in many official publications, including the White Paper noted above.

¹⁰Speech by Saddam Hussein, May 30, 1990, in FBIS, *Near East/South Asia Report*, July 19, 1990, p. 21.

¹¹Marr, *Modern History*, pp. 228-232, 303-305.

By May, 1990, however, these border problems, even the issue of the islands, took second place to Iraq's growing financial problems. As the drop in oil prices took its toll in Baghdad, the Iraqi leadership fixed on economic issues in its dispute with Kuwait. Chief among these was production above their OPEC quotas by Kuwait and the UAE, an issue that had considerable justification and was popular in the Arab world. The UAE was equally at fault, but Kuwait was closer at hand. Misreading Iraq's seriousness, Kuwait mishandled the situation, reneging on an earlier promise to reduce production, refusing to compromise on the Rumailah situation and, adding insult to injury, reminding Iraq of its unpaid war debts to Kuwait.

On May 30, at a closed meeting of the Arab League summit, Saddam Hussein warned that the economic measures being taken against Iraq were tantamount to war. Even more pointed was his pronouncement on July 17 that if words failed, he would have no choice but "to resort to effective action."¹² Even though Kuwait had acceded in part to Iraq's demands for higher oil prices and more restricted oil production in Geneva in July, the key issues remained unresolved at a subsequent meeting arranged by the Saudis and Egyptians in Jiddah. The Kuwaitis left the meeting, apparently thinking further negotiations were possible.

The following day, Iraqi troops, which had been sitting on the Kuwaiti frontier in full view of the world, marched into Kuwait City. The occupation was completed in a matter of six hours. Minutes before the tanks rolled up to the Dasman Palace gates, most of Kuwait's ruling Sabah family escaped, except for the Emir's younger brother, who died defending the palace.

Although Iraq claimed that it had entered Kuwait at the invitation of Kuwait's own opposition, its failure to find any Kuwaitis to cooperate soon ended that fiction. Instead, Iraq finally produced shadowy Iraqi figures to assume Cabinet positions. Meanwhile, Egypt called an Arab League summit meeting in Cairo. Efforts by Arab regimes, notably that of Jordan, to mediate, failed. In a bitter and divisive Arab League meeting on August 10, the League split. Twelve of the 21 members condemned the invasion and called for an Arab force to be dispatched to Saudi Arabia. The others abstained or voted against the resolution. Thereupon, Iraq rescinded the fiction of an opposition Kuwaiti government and annexed Kuwait, reviving its long-standing claim to the entire country. It attached a northern strip of Kuwaiti territory (not surprisingly renamed Saddamiyyah) to Basra. The rest of Kuwait was incorporated into Iraq as its nineteenth province.

Kuwait was systematically looted of every removable possession: the gold reserves in the central bank; food, furniture and household items; cars; and even a dismantled petrochemical plant. By October, half the Kuwaiti population (which had numbered about 800,000 before the invasion) had fled, along with Palestinians, other Arab residents and many Asian workers. Although figures are uncertain, some Shiite residents of southern Iraq replaced the refugees; there were also some Palestinians and Jordanians sympathetic to Iraq. A nascent Kuwaiti resistance was brutally stamped out by summary executions, torture and internment. Most Kuwaiti males between the ages of 18 and 45 were taken to Baghdad, where they were held hostage—along with Western males. Two months after the occupation, the secret police of Iraq were well on their way to establishing in Kuwait the kind of police state to which Iraqis had long since become accustomed.

IRAQ'S FUTURE

Iraq's occupation and brutalization of Kuwait, together with the massive multinational airlift of troops to Saudi Arabia, have generated a profound crisis in the Gulf, the outcome of which is still uncertain. Whatever its end, the crisis is likely to produce change in many areas, particularly in the dynamics of regional politics. The willingness of the Gulf Arabs to allow foreign troops on their soil, the consolidation of a more democratic trend among the exiled Kuwaiti community, the bitter split in the Arab League and the alienation of the poor northern Arabs from their rich cousins in the Gulf all portend changes in attitudes that are likely to be followed by political and social changes. Nowhere is change more likely than in Iraq itself.

No outcome is likely to be as favorable as that which Iraq faced on August 1. Even if there is a peaceful resolution of the conflict, Iraq's economy is likely to suffer as a result of the boycott, and if there is war, Iraq will suffer substantial damage. Even before the occupation of Kuwait, Iraq faced difficult economic choices and a stagnating economy.

The invasion and ruthless occupation of Kuwait have revealed the worst side of the regime. Its international reputation, damaged even before the invasion, is at an all-time low. If the regime survives, it will probably not be able to attract the technology and weaponry it wants to enhance its regional ambitions. On the contrary, both regional and international coalitions are likely to emerge to "contain" any repetition of Iraq's aggression. And Iraq's population, already weary from eight years of war, is likely to become even more frustrated in the face of the slow economic growth that will probably occur in the wake of this adventure.

¹²Speech by Saddam Hussein, July 17, 1990.

Nor is the issue of Iraq's access to the Gulf likely to be resolved. Indeed, the possession of Bubiyan could become a key obstacle in any peaceful solution to the crisis, much as the Shatt-al-Arab was in the war with Iran. Whether Iraq withdraws from Kuwait in accordance with United Nations resolutions, or it is forced out by military action, the geo-strategic problems will remain. Ultimately, some regional security regime that satisfies all the countries involved must be established in the northern Gulf.

Iraq's domestic politics provide the greatest element of uncertainty. A continuation of the Baath regime with much of its military intact may well be viewed as a continuing danger by many states in the region and is unlikely to bring much change in domestic politics. A war is likely to unseat the regime—indeed even a peaceful resolution will leave its survival in doubt—but the results of military action may require years of rebuilding. Should the regime be overthrown, a period of instability is probable as a new regime seeks to establish its footing and grapple with the problems of reconstruction. Such an eventuality, however, would at least provide some hope of fundamental change and a much-needed breakthrough in Iraq's isolation. Once again, this country, rich in economic resources and human skills, has had to pay the price for political mismanagement on a colossal and tragic scale. ■

UNITED STATES POLICY

(Continued from page 8)

military force. Deployment of forces to and cooperation with the member states of the Gulf Cooperation Council (GCC) reached levels that had never been anticipated. The United States presence clearly prevented Iraq from extending its control to Saudi Arabia, an initial fear of both the United States and Saudi Arabia. It was hoped that the combined international political, diplomatic and economic effort would achieve the removal of Saddam's forces from Kuwait without resorting to force.

In the early days of the crisis, the Bush administration gained substantial domestic support for its handling of the crisis. The administration then faced the basic questions posed by Iraq's invasion of Kuwait: how to achieve a relatively low-cost (in manpower and dollars) victory in which Iraq would withdraw from Kuwait. Could war be avoided while the stated objectives of United States policy were achieved?

In mid-November, the administration began to seek support for a UN Security Council resolution to permit the use of force against Iraq. This was intended partly to dull domestic criticism of the Bush

administration's movement toward actual hostilities in the Gulf without a declaration of war by the United States Congress and without a UN decision to permit the use of force. A debate also began in Congress and among the American public about just what the goals of United States policy were in the Gulf, especially after President Bush announced in early November that he was increasing the number of United States troops in the Gulf by 150,000.

The role of the allies (especially Japan and Germany) in carrying their fair share of the burden on the ground and in the cost of the operation soon became a matter of concern. A broader question was the ultimate goal of United States policy. Should the United States go to war to protect Saudi Arabia? To respond to mistreatment of Americans held hostage in Kuwait and Iraq? To respond to terrorist strikes against Americans? What of the time duration? How long and how many United States troops should be retained in the region? For what kind of activity?

TOWARD THE FUTURE

From the beginning of the Gulf crisis, the Bush administration sought to separate the situation on the Arabian Peninsula from the Arab-Israeli conflict. Its primary purpose was to prevent Saddam Hussein from using the Palestinian issue to divide the anti-Iraq coalition. The Iraqi idea was simple: to create a situation in which Iraq and Israel would clash directly, thereby forcing Arab states to decide whether to "side" with the United States (and therefore Israel), or move to a neutral or a pro-Iraq stance.

The United States efforts to separate the two issues worked successfully during the initial weeks of the crisis. Israel played the role of "silent partner," cooperating with the United States in intelligence sharing and related areas but not participating in the force and keeping a low-profile posture. Today, the United States faces a new Middle East and will have to reassess its policies. This will have to include a new approach to the Arab-Israeli conflict, even if it is not a quid pro quo for Arab support of the United States in the Gulf.

The Middle East created by the Gulf crisis will be different from its predecessor in many ways. The success or failure of United States policy in confronting the Iraqi invasion of Kuwait, coupled with the changed nature of the Arab-Israeli conflict and of the United States-Israeli special relationship, will require the United States to be responsive to the new Middle East in ways unprecedented in United States policy for the region. The nature and direction of that policy can only be determined after the resolution of the Persian Gulf crisis. ■

THE MONTH IN REVIEW

A Current History chronology covering the most important events of November, 1990, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Arms Control

(See *Intl, CSCE, Warsaw Pact*)

Conference on Security and Cooperation in Europe (CSCE)

Nov. 19—Meeting in Paris for 3 days, delegates from the 34 CSCE member nations sign a far-reaching arms control agreement that will cut the number of weapons and troops in Europe; under the terms of the agreement, much of the non-nuclear weaponry of the NATO and Warsaw Pact nations will be destroyed.

Nov. 21—At the conclusion of the meeting, the participants sign the Charter of Paris for a New Europe, which pledges “steadfast commitment to democracy based on human rights and fundamental freedoms, prosperity through economic liberty . . . and equal security for all countries.”

International Atomic Energy Agency

(See *Intl, Persian Gulf Crisis; Brazil*)

North Atlantic Treaty Organization (NATO)

(See *Intl, CSCE*)

Persian Gulf Crisis

(See also *Intl., UN; U.S.S.R.; U.S., Foreign Policy, Legislation*)

Nov. 1—The U.S. commander of the multinational forces in the Persian Gulf, General H. Norman Schwarzkopf, says it may not be in the best interests of the U.S. and “a long-term balance of power in this region” to destroy Iraq, although he claims his forces could do so.

Nov. 5—U.S. and Saudi officials agree on command arrangements for a possible offensive strike against Iraq, provided that U.S. President George Bush and Saudi King Fahd agree on this action; if offensive action is taken, U.S. forces will be free to plan and to act without Saudi interference.

Nov. 7—In Cairo, Egyptian President Hosni Mubarak urges the allied coalition against Iraq to wait “at least 2 to 3 more months” to see if sanctions force Iraq to withdraw from Kuwait; he warns Iraq’s President Saddam Hussein that if he does not withdraw his forces, “there will be no other way out” except war.

Nov. 8—President Bush orders more than 150,000 additional U.S. troops to be sent to the Gulf “to provide an adequate offensive military option” to force Iraq from Kuwait; U.S. troop strength will exceed 380,000 by early 1991.

Saddam dismisses his chief of staff, Lieutenant General Nazir al-Khazraji; Western observers believe that the general may have opposed the invasion of Kuwait.

Nov. 9—U.S. Defense Secretary Dick Cheney announces that plans to rotate U.S. forces in the Gulf at 6- to 8-month intervals have been dropped and that the forces already in the Gulf or in transit will remain there for the duration of the crisis.

Nov. 10—Speaking in Paris on the last stop of an 8-country trip to the Middle East and Europe to confer with U.S. allies about the Gulf crisis, U.S. Secretary of State James Baker 3d explains the need for consensus for “collective action . . . to make all our options credible.” Baker admits that there are

differing views about how long to wait for United Nations (UN) sanctions against Iraq to become effective.

Nov. 15—Iraq invites the International Atomic Energy Agency to come to Iraq to verify that 27.6 pounds of almost pure uranium 235—which Iraq salvaged from its Osirak nuclear reactor—are not being used to make an atomic weapon; Israel destroyed the Osirak nuclear plant in an air strike in 1981.

Nov. 18—Saddam says he will release all hostages beginning on Christmas Day “unless something takes place that mars the atmosphere of peace.”

Nov. 19—Iraq’s official news agency announces that Iraq will send an additional 250,000 troops to Kuwait and nearby areas.

Nov. 21—President Bush meets in Jiddah, Saudi Arabia, with the Kuwaiti Emir, Sheik Jaber al-Ahmad al-Sabah, and Saudi King Fahd.

Nov. 22—President Bush and his wife, Barbara, visit with front-line troops in Saudi Arabia; the President tells the members of a Marine outpost that “we are not walking away until the invader is out of Kuwait.”

British Defense Secretary Tom King informs Parliament that Britain will send 14,000 more troops to the multinational forces in the Gulf, along with more tanks, ships and aircraft.

Nov. 23—President Bush meets with Syrian President Hafez Assad in Damascus; President Bush says, “Mr. Assad is lined up with us with a commitment to force” in the Gulf.

Nov. 26—Soviet Foreign Ministry officials insist that Iraq allow some 3,000 Soviet citizens to return to the Soviet Union; Iraq has promised to release them.

Nov. 27—After examining Iraq’s nuclear reactor fuel supply, the International Atomic Energy Agency reports that the fuel has not been used to build a nuclear explosive device.

Nov. 30—At a White House press conference, President Bush announces that he has invited Iraqi Foreign Minister Tariq Aziz to Washington, D.C., for talks; he says that he is willing to send U.S. Secretary of State Baker to Baghdad for talks with Saddam between December 15 and January 15 “to discuss all aspects of the Gulf crisis.”

The U.S. Defense Department reports that 300 additional aircraft are being sent to the Persian Gulf.

South Asian Association for Regional Cooperation (SAARC)

Nov. 24—In the Maldives, the leaders of SAARC conclude a 3-day meeting calling for greater cooperation to fight drug trading and asking Iraq to withdraw from Kuwait; Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka are the members of SAARC.

United Nations (UN)

(See also *Intl, Persian Gulf Crisis; Ethiopia*)

Nov. 14—The Israeli government agrees to invite senior UN official Jean-Claude Aimé to Israel to discuss the killing of 21 Palestinians during a riot in Jerusalem on October 8; Security Council members welcome the Israeli agreement.

Nov. 15—Soviet envoy to Iraq Yevgeny Primakov calls for a delay in a Security Council resolution authorizing the use of force against Iraq; he hopes to allow Iraqi President Hussein a “face-saving” way to leave Kuwait peacefully.

Nov. 19—President Bush meets in Paris with Soviet President Mikhail Gorbachev to discuss a Security Council resolution authorizing the use of force against Iraq.

Nov. 24—The 5 permanent members of the Security Council adopt a final draft for a peace settlement in Cambodia; the 4 warring Cambodian factions must agree to the pact and to the establishment of a Supreme National Council; the 12-page document also calls for thousands of UN administrators and peacekeeping troops to govern Cambodia until free elections are held.

Nov. 27—Referring to a possible Security Council resolution authorizing the use of force against Iraq, Iraqi Foreign Minister Tariq Aziz says Iraq "will never succumb to pressure."

Nov. 29—The Security Council votes, 12 to 2, with China abstaining, for a resolution that authorizes UN members "to use all necessary means" to enforce previous Security Council resolutions calling for Iraq's withdrawal from Kuwait. Cuba and Yemen vote against resolution 678, which gives Iraq until January 15 to withdraw its forces. The resolution "requests all states to provide appropriate support for the actions undertaken in pursuance . . . of this resolution."

Warsaw Treaty Organization (Warsaw Pact)

(See also *Intl, CSCE*)

Nov. 3—In Budapest, the 6 Warsaw Pact members agree on the distribution of their military equipment after the 34-nation conventional arms agreement is signed in Paris on November 19.

World Climate Conference

Nov. 7—The 135 nations at the 10-day Geneva conference on the world climate end their session. British Prime Minister Margaret Thatcher says that the U.S. should not use the need for more research on global warming as an excuse not to take immediate action. The U.S. was singled out at the conference as the largest contributor to world carbon dioxide emissions, which are a cause of global warming.

AFGHANISTAN

Nov. 21—President Najibullah says that he has met with guerrilla leaders to discuss a political solution to the civil war.

ANGOLA

Nov. 12—President José Eduardo dos Santos invites guerrilla leaders from UNITA (National Union for the Total Independence of Angola) to help draft a new constitution.

ARGENTINA

(See *Brazil*)

BANGLADESH

(See also *Intl, SAARC*)

Nov. 27—The government declares a state of emergency after several weeks of violent protest by opposition leaders seeking the resignation of President H.M. Ershad.

Nov. 29—Police clash with antigovernment protesters in Dhaka; opposition leaders say that 50 people were killed in demonstrations yesterday.

BHUTAN

(See *Intl, SAARC*)

BRAZIL

Nov. 28—At a meeting at the Brazilian-Argentine border, Brazilian President Fernando Collor de Mello and Argentine President Carlos Saúl Menem formally renounce the manufacture of nuclear weapons; they sign an agreement to begin

negotiations with the International Atomic Energy Agency to set up a system of inspections and safeguards, but do not say they will sign the Nuclear Nonproliferation Treaty.

BULGARIA

Nov. 18—Angered by food shortages and rationing, more than 70,000 protesters gather in Sofia to demand that Prime Minister Andrei Lukanov resign; Lukanov said yesterday that to resign under pressure "would be a betrayal of democracy."

Nov. 21—Police clash with about 200,000 antigovernment protesters in Sofia.

Nov. 22—Parliament debates an economic austerity budget. Lukanov tells Parliament he will resign if other parties do not join the ruling Socialist party in passing the budget.

Nov. 23—In Parliament, the Socialist government wins a confidence vote.

Nov. 24—More than 30,000 pro-government demonstrators rally in Sofia to show their support for Lukanov.

Nov. 26—Tens of thousands of workers across the country strike in an attempt to force the government to resign.

Nov. 27—In an interview with *The New York Times*, former President Todor Zhivkov says that communism in Bulgaria was a mistake that he would not repeat.

Nov. 29—After the largest labor organization, the Confederation of Independent Trade Unions, joins a strike that began on November 26, Lukanov resigns. He will remain in office until a new government is formed.

Nov. 30—Newspapers report that parliamentary elections will be held in 6 months.

CAMBODIA

(See *Intl, UN*)

CHAD

Nov. 30—French diplomats report that forces led by Idris Deby, a renegade general who began an offensive 3 weeks ago, have captured Abéché, a key town in eastern Chad.

CHINA

(See *Intl, UN; U.S., Foreign Policy*)

COLOMBIA

Nov. 11—The governor's office in Taraza says that rebel attacks on 2 towns yesterday resulted in 40 deaths; this is the strongest rebel offensive this year.

CUBA

(See *Intl, UN*)

DJIBOUTI

(See *Ethiopia*)

DOMINICAN REPUBLIC

Nov. 20—Most businesses and services are shut down on the 2d day of a general strike aimed at forcing President Joaquín Balaguer to resign because of his economic austerity plan.

EGYPT

(See also *Intl, Persian Gulf Crisis; Israel*)

Nov. 29—About 25 percent of the voters participate in general parliamentary elections; the opposition boycotts the elections because of what it considers "undemocratic" and "improperly supervised" procedures.

EL SALVADOR

Nov. 20—Attacks by the leftist Farabundo Martí guerrillas on more than 12 military positions kill at least 20 people and injure 46; the guerrillas sabotage power lines and electrical installations throughout the country.

ETHIOPIA

Nov. 24—UN officials report that the government and Eritrean guerrillas have tentatively agreed to allow ships carrying food relief to pass through the guerrilla-controlled Red Sea port of Massawa; the ships will be inspected by UN officials in Djibouti before entering the port to ensure that no military supplies are aboard.

FRANCE

Nov. 12—In Paris and several other cities, about 250,000 high school students demonstrate to protest ineffective school security, inadequate government spending on schools and an insufficient teaching staff. President François Mitterrand meets with student representatives; thereafter the government announces an emergency plan to improve school conditions.

Nov. 19—Prime Minister Michel Rocard wins a no-confidence vote in the National Assembly; a coalition of Communists, conservatives and centrists called for the vote in an attempt to bring down the government because of its support for a 1.1 percent social security tax.

GERMANY

(See also *U.S.S.R.*)

Nov. 8—After 5 hours of talks, Chancellor Helmut Kohl and Polish Prime Minister Tadeusz Mazowiecki announce that they have reached agreement on a treaty that formally establishes the permanent border between Poland and Germany at the Oder and Neisse rivers.

Nov. 14—In Warsaw, Foreign Minister Hans-Dietrich Genscher and Polish Foreign Minister Krzysztof Skubiszewski sign the treaty guaranteeing the Polish-German border. The treaty must be ratified by both Parliaments.

Nov. 15—Kohl says that Germany will increase its food shipments to the Soviet Union if a crisis develops during the coming winter; he asks other Western leaders to support Soviet President Gorbachev's economic policies.

Nov. 26—In eastern Germany, tens of thousands of rail workers strike, shutting down passenger and freight lines.

Nov. 29—After the government agrees to consider their demands for higher wages and job security, rail workers in eastern Germany end their strike.

Nov. 30—The last section of the Berlin Wall is dismantled.

GUATEMALA

Nov. 12—Results of the November 11 elections to choose a successor to President Vinicio Cerezo show that no candidate won more than 50 percent of the vote. A runoff election will be held on January 6, 1991.

HAITI

Nov. 6—The electoral council rules that Roger Lafontant, a leader of the Tontons Macoute paramilitary force during the dictatorship of Jean-Claude Duvalier, may not be a candidate in the December 16 presidential elections.

INDIA

(See also *Intl, SAARC*)

Nov. 2—Thousands of Hindus make a 2d attempt to storm a mosque in Ayodhya, Uttar Pradesh; the Hindus want to build a temple on the site of the mosque. The 1st attempt in October was part of a series of clashes that resulted in more than 130 deaths.

Nov. 7—After losing a no-confidence vote, 142 to 346, the government of Prime Minister V.P. Singh falls; Singh resigns. Singh's refusal to allow the Hindu militants to build a temple in Ayodhya prompted the vote.

Nov. 8—Rajiv Gandhi and the Congress party decline an in-

itation from President Ramaswami Venkataraman to form a new government.

Nov. 9—Chandra Shekhar, a dissident member of the Janata Dal party, is asked to form a government.

Nov. 10—Shekhar is installed as Prime Minister; Devi Lal takes office as Deputy Prime Minister.

Nov. 15—Shekhar orders a curfew in New Delhi after 7 people are killed in a clash between Hindus and Muslims.

Nov. 16—Shekhar wins a vote of confidence in Parliament, 269 to 204 with 15 absentions; he calls for economic austerity and self-reliance, and asks Hindus and Muslims to negotiate their differences.

Nov. 18—Sikh militants kill at least 22 Hindus in Punjab state.

Nov. 20—In Amritsar, gunmen kill 13 people; Sikh militants are suspected.

Nov. 22—In an attack on a bus in Punjab, Sikh militants kill 13 people.

Nov. 28—The army begins a crackdown on an insurgency in Assam; Shekhar ousts the Assam state government, which is led by a local party that is suspected of helping the insurgents.

IRAN

(See also *Lebanon*)

Nov. 16—After talks in Baghdad, Foreign Minister Ali Akbar Velayati announces in Teheran that he and Iraqi Foreign Minister Tariq Aziz have agreed on steps to resolve the remaining disputes caused by the Iran-Iraq war; Velayati is the highest-ranking Iranian to visit Iraq in more than 10 years.

IRAQ

(See *Intl, Persian Gulf Crisis, SAARC, UN, Iran, U.S., Foreign Policy*)

IRELAND

Nov. 9—Mary Robinson, an independent, wins the presidential runoff elections with 52.8 percent of the vote, defeating the ruling Fianna Fail party candidate. She is the 1st woman to be elected President of Ireland and the 1st President since 1945 who is not a member of Fianna Fail.

ISRAEL

(See also *Intl, Persian Gulf Crisis, UN*)

Nov. 6—Meir Kahane, the leader of the Jewish Defense League and the extreme right-wing Kach party, is assassinated in New York. El Sayyid A. Nosair, an Egyptian-born man, is charged with the killing.

In the occupied West Bank, 2 Palestinians are killed by Kahane supporters.

Nov. 8—Defense Minister Moshe Arens says Israel will retain control of the region in southern Lebanon that it considers a "security zone."

Nov. 9—Police in Jerusalem close the city to Palestinians from the occupied territories to prevent further reprisals for the October 8 killing of 21 Palestinians on the Temple Mount or for the murder of Kahane.

Nov. 16—The Agudat Israel party, a small, Orthodox religious party, joins the coalition government of Prime Minister Yitzhak Shamir, bolstering the government's majority in the Knesset.

Nov. 25—An Egyptian border police officer crosses into Israel near Eilat and opens fire on several passing vehicles; 4 Israelis are killed and 26 are wounded. Egyptian authorities arrest the man after he returns across the border.

IVORY COAST

Nov. 26—Results of yesterday's multiparty parliamentary elec-

tions show that the ruling Democratic party won 163 of 175 seats; opposition leaders charge that the ruling party intimidated voters and committed fraud.

JAPAN

(See also *U.S., Labor and Industry*)

Nov. 3—Meeting in Beijing, Japanese and North Korean negotiators open preliminary talks on establishing relations between their countries.

Nov. 11—Akihito is enthroned as the 125th Chrysanthemum Emperor; he is the 1st Emperor to be enthroned under the postwar constitution, which calls the Emperor a symbol, not a living god.

KOREA, NORTH

(See *Japan*)

KUWAIT

(See *Intl, Persian Gulf Crisis, SAARC; U.S.S.R.*)

LEBANON

(See also *Israel; U.S., Foreign Policy*)

Nov. 6—*The New York Times* reports that in Damascus, representatives of Lebanon's 2 principal Shiite militias, Amal and the Party of God, have signed a peace agreement; the signing was supervised by Iranian and Syrian officials.

Nov. 7—The government sets November 10 as the deadline to begin disarming all militias in and around Beirut. The militias have 9 days to complete their withdrawal and until March, 1991, to disband.

Nov. 10—The militias begin their withdrawal from Beirut.

LIBERIA

Nov. 28—Two rebel factions, a 5-nation West African peacekeeping force, and the remnants of the late President Samuel K. Doe's army agree to an immediate cease-fire. The peacekeeping force will remain; last week, Amos Sawyer was installed by the peacekeeping force as interim leader of Liberia.

MALDIVES

(See *Intl, SAARC*)

MEXICO

(See *U.S., Foreign Policy*)

MOZAMBIQUE

Nov. 12—The government and right-wing guerrillas agree to appoint mediators in peace talks to end their 15-year civil war.

MYANMAR

Nov. 20—The military government sentences opposition leaders U Kyi Maung and U Chit Khaing to 10 years in prison for allegedly violating the Official Secrets Act.

NEPAL

(See also *Intl, SAARC*)

Nov. 10—King Birendra officially endorses a new constitution that allows multiparty democracy and human rights. The document preserves the King's position as constitutional monarch and leader of the army but vests most executive authority in the Prime Minister. Parliamentary elections are scheduled for April, 1991.

NORWAY

Nov. 3—Gro Harlem Brundtland, the leader of the Labor party, takes office as Prime Minister.

PAKISTAN

(See also *Intl, SAARC*)

Nov. 6—Nawaz Sharif is sworn in as Prime Minister; he succeeds Ghulam Mustafa Jatoi, the leader of the caretaker government that has been in power since the ouster of Benazir Bhutto 3 months ago.

Nov. 7—Sharif says that in order to reduce dependence on oil, he will accelerate Pakistan's nuclear energy program; he says it will be used exclusively for peaceful purposes. He also announces the end of the state of emergency that was imposed when Bhutto's government was dismissed.

Nov. 29—Sharif says he is ready to begin talks with the U.S. on Pakistan's nuclear program; the U.S. Congress cut off aid to Pakistan, estimated at \$500 million a year, because the U.S. could not certify that Pakistan was not building nuclear weapons.

POLAND

(See also *Germany*)

Nov. 7—Lech Walesa says he will step down as leader of the Solidarity trade union.

Nov. 25—Walesa wins about 40 percent of the vote in today's presidential elections; this is less than the 50 percent required to avoid a runoff. Stanislaw Tyminski, a Polish emigré businessman, wins about 23 percent and Prime Minister Tadeusz Mazowiecki wins about 18 percent.

Nov. 26—Mazowiecki and his government resign; he will remain in office until a successor is named by the new President. The runoff elections between Walesa and Tyminski are scheduled for December 9.

ROMANIA

Nov. 6—For a 6th day, demonstrators throughout the country protest price increases on consumer goods; the increases are the result of the government's decision to lift price controls on November 1.

Nov. 15—In the largest antigovernment rallies since December, 1989, hundreds of thousands of demonstrators in 10 cities call for the resignations of Prime Minister Petre Roman, President Ion Iliescu and the National Salvation Front.

RWANDA

Nov. 14—President Juvénal Habyarimana says he will allow political parties to function beginning in 1991; he also promises to abolish the use of tribal names on national identity cards. The leaders of an insurgency that began in October say that these concessions are not sufficient to bring an end to the fighting.

SAUDI ARABIA

(See also *Intl, Persian Gulf Crisis; U.S.S.R.*)

Nov. 3—Oil Minister Hisham al-Nazir reports that in the last week, Saudi oil production has risen to more than 8.2 million barrels a day, the highest level in 10 years.

SINGAPORE

Nov. 13—In Tokyo, Prime Minister Lee Kuan Yew and U.S. Vice President J. Danforth Quayle sign an agreement that allows the U.S. to use a base in Singapore for training missions.

Nov. 26—After 31 years in power, Lee resigns as Prime Minister. He will remain the head of the ruling People's Action party.

Nov. 28—Goh Chok Tong, the former First Deputy Prime Minister, takes office as Prime Minister; Goh is Lee's chosen successor.

SOUTH AFRICA

- Nov. 2—The government and the African National Congress (ANC) agree to a phased release of political prisoners and the return of political exiles.
- Nov. 6—At a multiracial church conference in Rustenburg, Willie D. Jonker, a minister in the Dutch Reformed Church, says that the church has condoned apartheid and must take responsibility for the harm done to black South Africans.
- Nov. 9—The 5-day church conference ends; apartheid is condemned as a sin.
- Nov. 24—Clarence Makwetu, the acting president of the Pan-Africanist Congress, says that his organization is ready to work with the ANC for political change in South Africa.
- Nov. 29—Under the auspices of Archbishop Desmond Tutu, black leaders, including ANC deputy president Nelson Mandela, meet to discuss black factional violence; the leader of the Zulu Inkatha movement, Mangosuthu Gatsha Buthelezi, refuses to attend because he doubts the ANC's commitment to peace with his organization.

SRI LANKA

(See *Intl, SAARC*)

SYRIA

(See *Intl, Persian Gulf Crisis; Lebanon; UK, Great Britain*)

U.S.S.R.

(See also *Intl, Persian Gulf Crisis, UN; Germany*)

- Nov. 1—The Ukraine introduces its own currency in the form of coupons; the coupons can be used with Soviet rubles to buy most consumer goods.
- Nov. 2—Near Dubossary, Moldavia, 6 people are killed and 30 are injured in clashes between Moldavian nationalists and a group of Russian-speaking Gagauz who are trying to secede from Moldavia.
- Nov. 7—At the Revolution Day parade in Moscow, a man fires a shotgun less than 200 feet from President Mikhail Gorbachev; no one is injured.
- Nov. 9—In Bonn, Gorbachev signs a treaty of "good neighborliness, partnership and cooperation" with Germany; he is the 1st foreign leader to visit Germany since its reunification in October.
- Nov. 12—Boris Yeltsin, the president of the Russian republic, tells a parliamentary committee that differences over the control of economic resources like petroleum must be resolved before a new union treaty can be signed.
- Nov. 13—Yeltsin says that he has urged Gorbachev to form a coalition government and that Gorbachev has agreed to consider the idea "in principle."
- Nov. 14—Parliament demands that Gorbachev deliver an emergency address on the economy and political authority. The legislature of the Georgian republic votes, 232 to 5, to elect a non-Communist president of the republic.
- Nov. 15—For the 1st time since 1945, Leningrad's city council votes to institute food rationing, beginning December 1.
- Nov. 16—Gorbachev agrees to reshuffle the government and the military leadership to regain public support for his economic and political policies. He rejects the formation of a coalition with non-Communists and insists that the republics sign a union treaty that maintains the federal structure.
- Nov. 17—Gorbachev proposes a new emergency government structure in which he will rule along with republic leaders; Parliament approves the proposal, which abolishes the position of Prime Minister and establishes the Federation Council as the chief executive agency. Gorbachev remains the ultimate authority, with enhanced powers over the army, police and KGB (secret police) through a security council that reports to him directly.

Nov. 23—Gorbachev proposes a redesign of the structure of the Soviet Union that permits the republics the right to self-determination; no details are released.

Nov. 27—On instructions from Gorbachev, Defense Minister Dmitri T. Yazov announces that the armed forces have been authorized to use force to defend themselves against antimilitary activities in the republics; Gorbachev has said such activities endanger the country's security.

Nov. 30—The Kuwaiti ambassador to Moscow, Abdulmoshin Duaiji, announces that Kuwait, Saudi Arabia and the United Arab Emirates will lend the Soviet Union \$3 billion; he says the loans are not related to the Soviet Union's involvement in the Persian Gulf crisis.

UNITED ARAB EMIRATES

(See *U.S.S.R.*)

UNITED KINGDOM

Great Britain

(See also *Intl, Persian Gulf Crisis, World Climate Conference*)

- Nov. 1—Sir Geoffrey Howe, a long-time member of the Cabinet, resigns; he was dismissed as foreign secretary in July, 1989, after insisting that Prime Minister Margaret Thatcher agree to move toward monetary and political union with Europe.
- Nov. 14—Michael Heseltine asks Conservative Members of Parliament to defeat Thatcher as party leader and Prime Minister in an election set for November 20; he offers himself as a candidate.
- Nov. 18—In an interview published today, Thatcher says that she will not reverse her opposition to a European monetary union and suggests that she might hold a referendum to determine voter support. Heseltine opposes such a referendum.
- Nov. 20—In voting for the leadership of the Conservative party, Thatcher fails by 4 votes to win a majority. Heseltine wins 152 of 372 votes, forcing a runoff vote on November 27. Thatcher says she will remain in office.
- Nov. 22—Thatcher announces that she is withdrawing from the runoff election.
- Nov. 27—Runoff elections for Conservative party leader are held; John Major wins 185 of the party's 372 votes, 2 short of a majority. After Foreign Secretary Douglas Hurd and Heseltine withdraw, the Conservative party selects Major, a 47-year-old Thatcher protégé, as Prime Minister.
- Nov. 28—The British and Syrian governments announce that relations have been restored; Foreign Secretary Hurd says Syria has assured the British government that it will reject international terrorism.
- Nov. 30—John Major is sworn into office as Prime Minister.

UNITED STATES

Administration

- Nov. 5—Secretary of State James Baker 3d announces the dismissal of U.S. diplomat Felix S. Bloch; Bloch has been under investigation for almost 2 years as a possible Soviet agent "because of his activities and associations." From 1981 to 1987, Bloch was a top diplomat at the U.S. embassy in Vienna.
- Nov. 8—William J. Bennett resigns as the director of national drug control policy.

Economy

- Nov. 1—The Commerce Department reports that its index of leading economic indicators fell 0.8 percent in September. The Labor Department reports that the nation's unemployment rate remained at 5.7 percent in October.

Nov. 9—The Labor Department reports that its producer price index rose 1.1 percent in October.

Nov. 16—The Labor Department reports that its consumer price index rose 0.6 percent in October.

The Commerce Department reports that the U.S. foreign trade deficit fell slightly in September, to \$9.41 billion.

Nov. 20—The Commerce Department reports a 6 percent drop in housing starts in October, the lowest level since the 1981-1982 recession.

Nov. 21—In U.S. District Court in New York, junk bond innovator and financier Michael Milken is sentenced to 10 years in jail; Milken, a former executive at Drexel Burnham Lambert Inc., pleaded guilty in April to 6 counts of conspiracy and fraud related to securities; he will also pay some \$600 million in fines.

Nov. 27—The Commerce Department reports that the U.S. foreign trade deficit rose to \$29.75 billion in the 3d quarter.

Nov. 28—The Commerce Department reports that the nation's gross national product (GNP) grew at an annual rate of 1.7 percent in the 3d quarter of 1990.

Testifying before the House Banking Committee, Federal Reserve Board chairman Alan Greenspan says the nation's economy turned downward in October and November; his figures do not indicate a serious recession at this time.

Nov. 30—In a speech before the Securities Industry Association, Treasury Secretary Nicholas Brady says that the administration will introduce legislation to Congress that would reorganize the banking and securities industries; the proposed legislation would allow banks and securities firms to merge and would also remove barriers to interstate banking.

The price of oil on the futures market of the New York Mercantile Exchange falls to \$28.85; the price of oil is still 25 percent higher than on August 2.

The Commerce Department reports that the nation's index of leading economic indicators fell by 1.2 percent in October.

Foreign Policy

(See also *Intl, Persian Gulf Crisis, UN, World Climate Conference, Pakistan, Singapore; U.S., Legislation*)

Nov. 13—At a news conference in Bermuda, Secretary of State Baker says that the primary reason for confronting Iraq in the Persian Gulf is job security for Americans.

Nov. 14—President Bush meets with congressional leaders; he assures them that he will consult with Congress before using force in the Gulf, but he does not agree to seek congressional authorization for the use of force in the event of a sudden emergency caused by Iraqi action.

Nov. 26—President Bush meets with Mexican President Carlos Salinas de Gortari in Aguascalientes, Mexico.

Nov. 27—President Bush ends his 2-day visit to Mexico; he and Salinas agree to negotiate a free-trade agreement between their countries, although they do not discuss details.

Nov. 29—U.S. Ambassador to Lebanon Ryan Crocker reopens the U.S. embassy in Beirut.

Nov. 30—President Bush meets with Chinese Foreign Minister Qian Qichen in Washington, D.C.; this is the 1st high-level meeting between officials from the U.S. and China since June, 1989, in the U.S.

Labor and Industry

Nov. 26—Japan's Matsushita Electric Industrial Company purchases the MCA Inc. entertainment company in a deal valued at \$6.13 billion; this is the largest Japanese purchase of an American company to date.

Legislation

Nov. 13—Senator Richard Lugar (R., Ind.), senior Republican on the Senate Foreign Relations Committee, and other influential legislators urge President Bush to con-

vene a special session of Congress on the Persian Gulf crisis. The President opposes such a move, and members of Congress disagree on calling a special session.

Nov. 15—President Bush signs the Clean Air Act of 1990, which updates federal air pollution standards.

Nov. 19—President Bush pocket-vetoes legislation passed by Congress on October 26 that would have imposed mandatory sanctions against nations and companies that send chemical or biological weapons to third world countries like Iraq.

Nov. 20—45 Democratic members of the House file a lawsuit seeking an injunction in U.S. District Court in Washington, D.C., to prevent President Bush from starting a war in the Persian Gulf without a congressional declaration of war or other authority from Congress; the administration believes that the President has already consulted with congressional leaders and has therefore fulfilled the constitutional requirement that only Congress can declare war.

Nov. 28—In testimony before the Senate Armed Services Committee, a former chairman of the Joint Chiefs of Staff, Admiral William Crowe, says "if in fact the sanctions [against Iraq] will work in 12 to 18 months instead of 6 months, the trade-off of avoiding war . . . would . . . be worth it."

Another former chairman of the Joint Chiefs of Staff, General David Jones, testifies that increased U.S. forces in the Persian Gulf "... might cause us to fight—perhaps prematurely and perhaps unnecessarily."

Nov. 30—President Bush pocket-vetoes budget legislation authorizing \$30 billion for the country's intelligence agencies; he says the legislation included a provision that would have required him to report to Congress any requests for private or foreign aid in covert operations.

Political Scandal

Nov. 15—The Senate Ethics Committee opens hearings on the 5 senators who aided the president of the failed California Lincoln Savings and Loan, Charles H. Keating Jr.; Senators Alan Cranston (D., Cal.), Dennis De Concini (D., Ariz.), John Glenn (D., Ohio), John McCain (R., Ariz.), and Donald Riegle Jr. (D., Mich.) are charged with unethical behavior.

Politics

Nov. 6—In midterm elections nationwide, Democrats gain 1 additional Senate seat and 8 additional seats in the House of Representatives; in the 36 gubernatorial elections, 14 governorships changed political parties; Lowell Weicker Jr. in Connecticut and Walter Hickel in Alaska win as independents. In the Senate, there will be 56 Democrats and 44 Republicans; in the House, there will be 267 Democrats and 165 Republicans, with 1 independent and 2 seats still left undecided.

Nov. 19—*The New York Times* reports that on November 17; William J. Bennett agreed to take the post of Republican national chairman.

Science and Space

Nov. 20—The space shuttle *Atlantis* lands at Cape Canaveral in Florida, completing a secret military mission that began November 15.

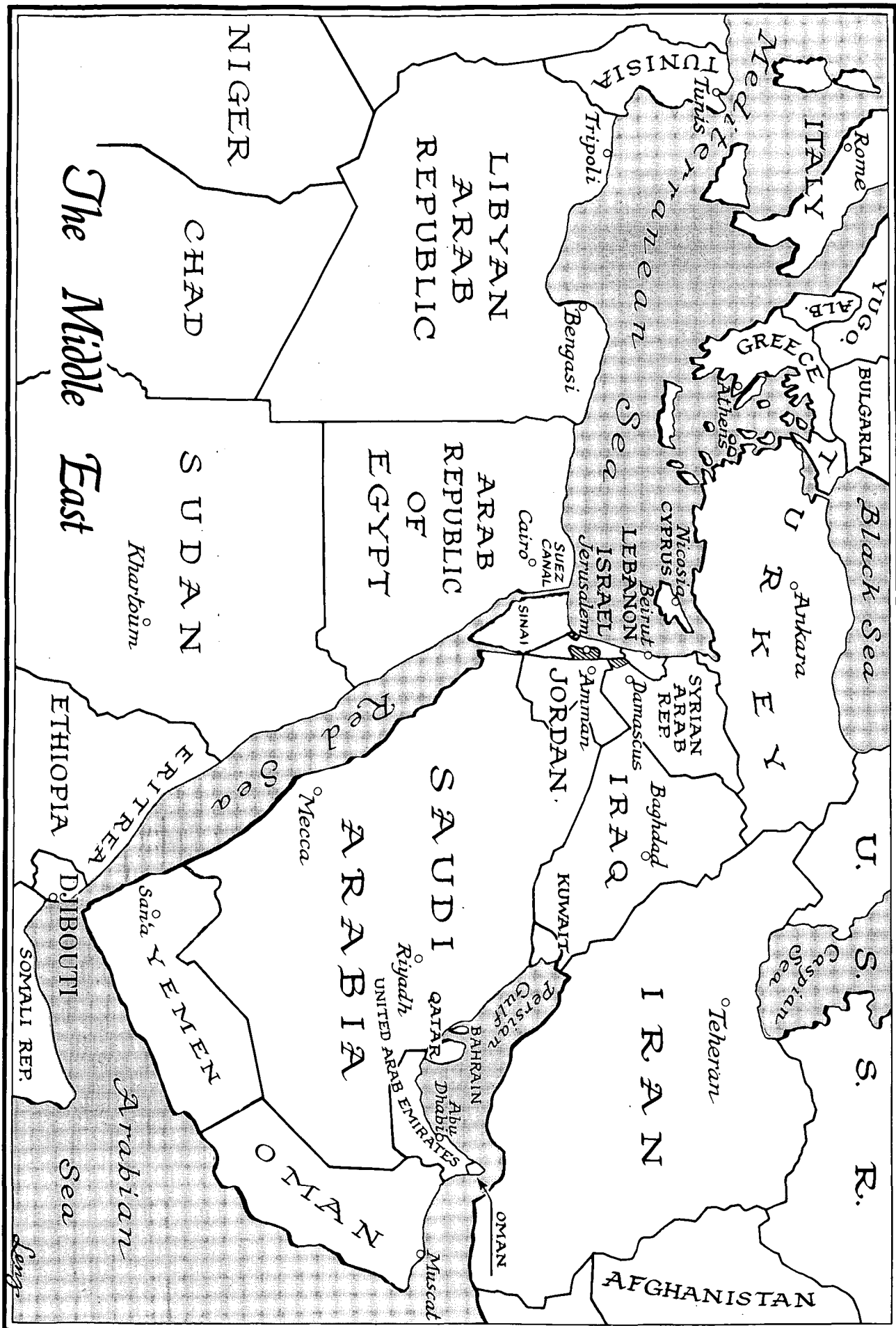
YEMEN

(See *Intl, UN*)

YUGOSLAVIA

Nov. 11—Macedonia holds its 1st free elections since 1945.

Nov. 19—Preliminary results of the Bosnia-Herzegovina parliamentary elections held yesterday show nationalist parties defeating the ruling Communist party. The final results will not be known until after runoff elections December 2. ■



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